



17th July, 2017

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

Attention: Oliver Holm,
Executive Director, Resources Assessments and Compliance

Dear Sir,

RE: MOUNT PLEASANT OPERATION DA92/97 – MODIFICATION 3 APPLICATION

On behalf of our 140 members and the Muswellbrook business community, we support the application by MACH Energy Australia Pty Ltd for an extension of six (6) years to their existing consent.

The basis of our support is predominantly on the basis of the positive socio-economic impacts that the development is delivering now and the need for those to continue in the future. The Chamber does not have the expertise or the resources to address the detail of environmental impacts in relation to air, water, noise, vibration and visual amenity. We do however, trust that the original fifty nine (59) conditions of consent, schedules of procedures, reporting requirements and appendices as well as the proposed modification details, will ensure compliance with all regulatory requirements.

We note in particular the following sections of the proponents Modification Environmental Assessment:-

1. INTRODUCTION: We note that the development has approval dating back to 1999 and that limited construction works had been completed on site before the acquisition by MACH Energy Australia in August 2016. In the intervening years the Chamber and Muswellbrook businesses have looked forward to the commencement of construction and mining. On numerous occasions the previous owners, Coal & Allied, gave businesses and the wider community updates on their progress and plans for the future.

1.1 OVERVIEW OF MOUNT PLEASANT OPERATION: With the existing consent being limited to December, 2020 and construction commenced in November, 2017, it is imperative that an extension be granted to allow the mine to achieve full production. The granting of this extension will allow the mine to plan and make application for a further period of mining. This will ensure the recovery of the resource with the resulting economic benefits flowing to Muswellbrook, The Hunter and the State.

1.2 OVERVIEW OF MODIFICATION: The two (2) elements of the Modification are significant:-

- * The extension of mining to December, 2026 will give confidence to local businesses and foster economic growth.
- * The improvement of the final landform "that is more consistent with the local topography," is welcomed. Since 1999 the industry and regulators have changed their views on final landforms and embraced 'less engineered' appearances and potentially more diverse uses.

2.10 WORKFORCE: The Mount Pleasant Operation has an approved workforce of approximately 380 people. The 1997 EIS suggested a construction workforce of 250 people for a period of 18 months. The Modification Proposal now indicates a construction workforce peaking at 350 and an operational workforce of between 330 & 380 people.

With the acquisition of the Mount Pleasant lease by MACH Energy Australia in August 2016 and especially since construction commenced in November 2016, Muswellbrook has experienced an increase in economic activity with the influx of construction contractors and employment of local subcontractors and workers. Local businesses, still experiencing the effects of the mining downturn and the ceasing of operations at Drayton Coal, saw increased demand for goods and services in all business sectors. Businesses report an increased demand for rental and owned property, short term accommodation, hospitality, general retail and services.

The Chamber estimates the multiplier effect of the Mount Pleasant workforce to be between two & three. This means that in the construction phase between 700 & 1050 jobs are created. In the operational phase a similar number of jobs will be sustained. This represents a significant economic input that Muswellbrook business and the community will rely on through the Modification period and beyond.

2.11 REHABILITATION AND FINAL LANDFORM: We note that rehabilitation will be undertaken in accordance with the approved Mining Operations Plan, Rehabilitation Plan and the Rehabilitation Strategy (as updated from time to time). As mentioned earlier, the final land form and the after mining land use are matters which receive increasing interest from the community, the industry and business in general. The Chamber is committed to working with MACH, Muswellbrook Shire Council, The Upper Hunter Mining Dialogue and business operators to ensure that the final land form is environmentally sustainable. In addition, we encourage the DPE to consider conditions of consent that allow for flexibility in final landform requirement to allow a variety of commercial activities including – grazing, forestry, intensive agriculture, food processing, tourism, recreation and educational pursuits. The Chamber takes the long term view that after mining the workforce will need to be employed in alternative industries to sustain the local economy.

2.14 COMMUNITY CONTRIBUTIONS: The Chamber acknowledges the long term commitment to the community by the previous owners of Mount Pleasant Operations. For many years Coal & Allied have supported numerous community projects. These projects help Not-for-Profit organisation, small business start-ups, local employment, education & youth development. It is good to see that MACH Energy has undertaken to continue the contributions to the Aboriginal Community Development Fund and partnerships with four(4) local community groups.

Since the acquisition of Mount Pleasant Operations, MACH Energy has engaged with the Chamber and the business community to maximise local business and employment opportunities. This has been facilitated through forum discussions, Project update presentations and individual consultations.

The Chamber values this relationship and looks forward to working with MACH Energy to bring maximum economic benefits to Muswellbrook.

We welcome the statement in the Modification EA that – “ MACH Energy is currently preparing a Mount Pleasant Operation community development funding framework, to provide an avenue to support other community development projects throughout the life of the operation.”

2.15 COMPLAINTS: We note the EA identifies four (4) complaints received in 2016 and trust that the company deals with these in accordance with the Development Consent Conditions. With regard to the complaint related to ‘supplier options’, the Chamber has also received complaints from local businesses not receiving work or supply opportunities in the early stages of construction. Through discussions with MACH and local suppliers, the Chamber is satisfied that the issues have been addressed and fairly resolved. We are also confident that the continuing dialogue between MACH, the Chamber and local businesses will be able to resolve future complaints should they arise.

2.16 CONSIDERATION OF POTENTIAL INTERACTION WITH OTHER NEARBY MINING OPERATIONS: The Modification EA identifies a number of Upper Hunter mining operations with whom Mount Pleasant Operations interacts. The Chamber expects that the issues of noise, air quality and road & rail transport interaction are addressed in this Modification EA and the various operations conditions of consent. We leave these matters to the DPE for assessment. We do however make comment on the Bengalla Mine issue.

2.16.1 BENGALLA MINE: The legacy left by Coal & Allied, when they managed both Mount Pleasant Operations and Bengalla Mine, is a cause for concern to the Chamber and the local business community. With ML1645 in the ownership of Mount Pleasant and their rail corridor intersecting the Bengalla open cut, there is a potential for the Bengalla operation to be delayed or stalled. Under Development Consent SSD-5170 Bengalla has approval to extract 15mtpa ROM coal until February 2039.

The Modification EA identifies the Master Co-operation Agreement that exists between the two mines as well as the consideration of alternative rail corridor options. While there appears to be an intention between the parties to work out a practical solution, there is little comfort in the EA to guarantee that the Bengalla operation will not be seriously affected if a solution is not found in the very near future.

The Modification EA suggests that “ the intersection of the Bengalla Mine open cut with the approved rail spur alignment is some years away.” The Chamber understands that the effects on the Bengalla operations could occur well before the completion of the six (6) year modification period in 2026 and possibly as early as 2022. The EA also suggests that MACH will investigate alternative rail route options and make application for a modification within 12 months of the preferred alternative coal transport route being selected. There is no indication of the time required to identify the preferred alternative.

The uninterrupted continuation of the Bengalla Mine is critical to Muswellbrook's economy and community. Bengalla provides 600 full time equivalent employees, \$60m spent in Muswellbrook Shire annually, over \$50m paid in Royalties to the NSW Government annually, and \$463m paid in Royalties from 1998 to 2015.

Muswellbrook needs the Mount Pleasant mine to continue beyond its current approval and also needs the Bengalla mine to continue to the completion of its approval in 2039. These two projects represent ongoing direct and indirect employment for between 1900 and 3300 people. The loss of either project would be devastating to the Muswellbrook economy. The loss of both would be catastrophic.

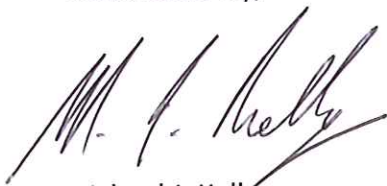
The Chamber urges both mines and the DPE to give this urgent attention and put firm agreements in place that will ensure the development of Mount Pleasant and the continuation of Bengalla.

CONCLUSION: The Muswellbrook Chamber of Commerce supports the MACH Energy Australia application for Modification 3. With the world energy market transitioning to alternatives to coal over the next four (4) to six (6) decades, there is expected to be strong demand for Australian coal well beyond current mining consents. There is also a need to maintain the flow of capital into mining projects to sustain employment and our economy while the alternative technologies are developed to commercial viability.

The Chamber supports the strict environmental controls which govern all coal mining operations in the Upper Hunter. We believe that, with MACH Energy's strict adherence to realistic conditions of consent, the Mount Pleasant Mine can bring economic benefits without detrimental effects to the environment.

We look forward to the Departments determination of this important project and would welcome any request for further clarification of our submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michael J. Kelly', with a stylized flourish at the end.

Michael J. Kelly

President