

NEW SOUTH WALES MINERALS COUNCIL LTD

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Mr Sam Haddad
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Department of Planning and Infrastructure
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By email: sam.haddad@planning.nsw.gov.au

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Aurizon Hexham Train Support Facility Project - MP07_0171



Sam
Dear Mr Haddad

The NSW Minerals Council supports the State Significant Infrastructure application for the development of the Aurizon (formerly known as QR National) Hexham Train Support Facility (Hexham TSF) project which is currently on exhibition.

The NSW Minerals Council represents the State's \$20 billion mining industry. The benefits of the coal industry are felt across the state through direct and indirect jobs and spending, and the payment of \$1.48 billion in royalty payments to the NSW Government. Coal is the state's most valuable export commodity, earning \$11 billion in 2011-12¹.

The coal industry is a significant contributor to the economy of the Hunter Valley providing one quarter of the gross regional product in 2011-12². The industry spent \$4.632 billion directly in the region during 2011-12³, and currently employs over 18,000 people⁴.

Demand for Development of the Hexham TSF

In order to support the growth of the coal industry and ensure that NSW coal remains globally competitive, it is vital that the industry is supported by appropriately located, efficient infrastructure.

Newcastle is presently the largest coal exporting harbour in the world, with plans to increase capacity through the Terminal 4 expansion project. The Port and the Hunter Valley Coal Chain (HVCC) rail network that accesses the Port are essential to the NSW coal industry, not only in the Hunter Valley, but also in the New England North West.

¹ NSWMC Key Industry Statistics 2011, page 4

http://www.nswmin.com.au/ArticleDocuments/55/NSWMC%20KeyIndustryStats%202011_FINAL.pdf.aspx

² NSW Economic Impact Report Preliminary Findings 2011-12, page 7

http://www.nswmin.com.au/ArticleDocuments/308/NSW%20Economic%20Impact%20Survey%202011-12%20Preliminary%20Report_FINAL.pdf.aspx

³ Ibid, page 4

⁴ Australian Bureau of Statistics, *Labour Force, Australia, Detailed, Quarterly, Aug 2012*, cat. no. 6291.0.55.003

The Hexham TSF project will support projected increases in transportation of coal to the Port of Newcastle by providing a facility where train maintenance and other support activities such as refuelling can be undertaken away from the Port. These activities are currently carried out at existing Aurizon rail facilities on Kooragang Island. The proposed facility will alleviate train congestion at the Port, bringing significant efficiency gains. This will support other investment in the Port and HVCC.

The environmental assessment of the proposal indicates that significant care has been taken in selecting the proposed site for the project, to limit the impacts of the development on the natural environment and residents. The site has a history of industrial use and most of the land to be impacted has been previously cleared or degraded. Reasonable measures to mitigate or offset the impacts of the development are proposed including securing, maintaining and improving areas containing endangered ecological communities on site.

Benefits of the Project

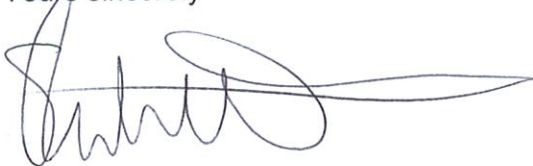
The project will deliver considerable gains to Newcastle and the broader region and state including⁵:

- Direct economic benefits from the construction of the project, which are estimated at \$130 billion
- Direct employment in both the construction phase and an additional 30 operational jobs
- Based on ABS benchmarks, generate a further \$118m of activity in production induced effects and \$125m in consumption induced effects
- Result in at least \$373m of construction generated total economic activity
- Increased the coal capacity of the HVCC and the Port of Newcastle and as a result the coal industry's productivity and capacity to grow.

There is a compelling social and economic case for the development of the Hexham TSF. The environmental impacts are minimal and can be appropriately mitigated and offset. The project is part of the broader investment in coal infrastructure in the region and an important part of the delivery of increased capacity to export NSW coal. The project should be approved, subject to appropriate conditions, and every effort should be made to ensure the project is dealt with in a timely manner.

Should you have any queries about NSWMC's support for the development of the Hexham TSF project, please do not hesitate to contact Claire Doherty, Director Community Development on 02 92741407, or by email cdoherty@nswmin.com.au.

Yours sincerely



Stephen Galilee
CHIEF EXECUTIVE OFFICER

⁵ Environmental Assessment – Hexham Train Support Facility, page 45