



Illawarra Innovative Industry Network (i3net)

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Director – Resource Assessments,
Development Assessment,
Department of Planning and Environment
Locked Bag 5022
Parramatta NSW 2124

Re – Letter of Support. Dendrobium Mine Extension Project – SSI-33143123.

Dear Commissioner,

It is my pleasure to write a letter of support for South 32- Illawarra Metallurgical Coal's Dendrobium Mine Extension Project. I am writing this letter on behalf of the Illawarra Innovative Industry Network – i3net.

About Illawarra Innovative Industry Network - i3net

The i3net is a powerful network of industry-based companies working from the Illawarra. The network was established 20 years ago to promote the collective capability of Illawarra Industry to local, national, and international markets. Industry within the Illawarra forms a vital foundation of the local economy. Accordingly, community support for Mining, Coal and Industry is strong in the Illawarra. It's in our DNA and is a proud part of our heritage.

As the premier network of industry-based companies working from the Illawarra, we represent small, medium and large businesses in the industrial supply chain. This extension project is critical to the 526 Wollongong manufacturing businesses (Business count ABS June 2018 cat. 8165) and the 10,000 individuals (.id, June 2019) who work in the local Manufacturing, Professional, Scientific & Technical services. The i3net fully supports South 32 Dendrobium Mine Extension Project.

At a local level, South 32 continues to show their **commitment to the Illawarra region** by:

- Employing about 2,000 people, more than 90% live locally.
- Purchase from more than 200 local businesses, equating to \$240M annual spend.
- Investing more than \$1M annually to community projects and activities.
- Increased spend with Aboriginal businesses about 12% in FY22.

Revised Mine Plan

We welcome the revised mine plan that incorporates feedback from the previous application and reduces environmental and cultural impacts.

The Dendrobium Mine Extension Project will enable the continuation of mining activities at Dendrobium Mine in new areas within the existing mine lease, extending the mine life by approximately 10 years.



The extension would create:

- 100 construction jobs
- 50 new permanent project job
- ongoing employment of 650 existing local jobs.

We also support the additional environmental safeguards such as:

- Preserve water catchment - 60% reduction in the longwall mining area
- Preserve key streams and rivers with 400m setbacks
- Significantly reduce mining beneath threatened swamps
- Preserve key dams with the mine plan setback at least 1,000m from dam walls
- Significantly reduce surface water loss by about 78%
- Reduce the number of Aboriginal Heritage sites mined beneath by 73%.

Local impact

The Dendrobium Mine Extension Project is possibly the most significant decision affecting this region, due to the potential impact on Illawarra's industrial supply chain. If it is not approved, it could result in up to \$10 billion per year in losses and detrimental impact to the Wollongong regional economy.

BlueScope Steel generates ~\$6.5 billion in regional economic output, equating to 24% of the Illawarra total output while directly employing 3,500 workers. Their Port Kembla Steelworks consumes approximately 3 million tonnes of metallurgical grade coal per annum, of which over 90 per cent is sourced from mines located in the Illawarra region.

These principal coal sources for BlueScope include the South32 - Illawarra Metallurgical Coal's group of mines comprising Dendrobium and Appin, the Peabody Metropolitan Colliery and the SIMEC Tahmoor Colliery. Any interruption or reduction of capability in this supply chain would critically jeopardise BlueScope's ongoing ability to produce coke at Port Kembla.

We quote BlueScope (2019) when they stated, "Without this supply, steelmaking would struggle to remain viable at Port Kembla." This statement is truly alarming for the Illawarra, NSW, and the Sovereign Capability of Australia.

The ongoing economic viability of the premium hard coking coal mining, iron smelting and coal transport and shipping businesses located in and around the Wollongong - Port Kembla area and elsewhere through the Southern Coalfield of NSW is critically dependent on the continuing success of both South32-Illawarra Metallurgical Coal and BlueScope Steel.

Significant changes in either of these businesses would cause adverse flow-on effects to other coal and steel-related businesses that are vital to this region.

Recommendation

We are in full support of the Dendrobium Mine Extension Project and respectfully ask the Department of Planning, Industry and Environment to consider the vulnerability of the local industrial supply chain before making its decision. This region's economic sustainability is incredibly sensitive to price changes. An ongoing supply of competitively priced metallurgical coal from the Southern Coalfields is an essential feedstock for the Port Kembla Steelworks, thereby supporting local businesses, jobs and



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local economic activity. The strategic interdependencies between local coal supply and Illawarra steelmaking are significant; one cannot exist for long without the other.

For further information, or if you have any questions, please contact me on the below details.

Yours Sincerely,

B. Perry

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Chief Executive Officer

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