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Planning Assessment Commission  
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Dear Ms Webb

**Moolarben Coal Mine applications  
Mid Western Local Government Area**

Thank you for your letter of 14 February 2014 concerning the hearing date for the Moolarben Coal Mine applications and the opportunity for NSW Trade and Investment – Division of Resources and Energy (DRE) to provide additional input.

DRE is supportive of the Moolarben Stage 2 project and the modification to Stage 1, known as Mod 9, as a responsible utilisation of the State's strategic coal resources.

DRE is satisfied that the Stage 2 project meets the Division's requirements with regards to subsidence, waste characterisation and resource utilisation. The commitment to progressive rehabilitation and the proposed final landform and land use proposals are also acceptable. As outlined in DRE's previous submission, these issues will need to be addressed in detail in any Mining Operations Plan (MOP) approved by the Division.

The MOP must be submitted prior to the commencement of mining within Stage 2. Progress against the MOP will be required to be reported in the Annual Environmental Management Report.

A Subsidence Management Plan (SMP) for Underground No. 1 and 2, prepared in the accordance with guidelines in force at the time, must be submitted and approved prior to the commencement of underground mining.

The Moolarben Stage 2 coal project contains an in situ coal resource of 295 million tonnes (Mt) of which 218 Mt is planned to be recovered by open cut mining and 34.9 Mt by underground mining methods. The additional open cut reserves from the proposed Stage 2 expansion would greatly extend the life of open cut mining at Moolarben. At the proposed maximum Moolarben Stage 2 open cut production rate of 13 Mtpa, open cut operations at the mine could continue for another 17 years.

Over the life of the mine the additional coal mined from Stage 2 could be worth around \$19 billion in current dollars.

Stage 2 will operate in conjunction with the already constructed Moolarben Stage 1 infrastructure and facilities as an integrated mining complex. The integration of the two Stages will enable mine crews, mine equipment, infrastructure and facilities to be shared across the whole project area. Efficient extraction, handling and processing of run of mine coal will be maximised across the entire mining complex due to the integration of the two Stages. Also coordination of environmental management, rehabilitation and final landforms will be better managed as a result of the integration of the two stages.

This project is not a stand-alone project and is closely linked with the existing Moolarben mine, Stage 2 will continue operations at a higher production rate, utilise additional employees and sell coal into the same long established market at higher volumes.

DRE also notes from the Environmental Assessment that the Project will provide for:

- 122 direct jobs from Stage 2 and 439 from the integration of both Stage 1 and Stage 2
- \$162 million of capital investment from Stage 2 and \$525 million for both Stage 1 and 2 of the integrated mining complex
- \$731 million per annum of output, and
- \$162 million in annual tax contributions and other public sector revenues

DRE has estimated that as a result of the additional product tonnes that will be made available for extraction as a result of Stage 2 the total additional royalty to the State could be of the order of \$1.2 billion over the life of the mine.

Thank you for bringing this matter to my attention.

Yours sincerely



26.2.2014

**Kylie Hargreaves**  
**Deputy Director General**  
**Resources & Energy**