



CFMEU MINING & ENERGY DIVISION SOUTH WESTERN DISTRICT

(Division of the Construction, Forestry, Mining and Energy Union)

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The Independent Planning Commission

Leve 3, 201 Elizabeth St

Sydney NSW 2000

Lodged online at: www.ipcn.nsw.gov.au

Dear Commissioners,

Dendrobium Extension Project SSD-8194

I write on behalf of the CFMEU Mining and Energy Division – South West District – which represents coal mineworkers in the NSW Illawarra region in which the Dendrobium mine is located. The union represents the majority of the production and maintenance workers at the mine, and is the principal union representing coal mineworkers across Australia, with around 20,000 members in the industry.

The union has represented coal mineworkers in the Illawarra for over 150 years, workers at Dendrobium since it began operations in 2002, and in its predecessor mines.

Coal mining has generally co-existed successfully with the Illawarra community, and moreover it has provided a key rationale for the region's early economic development including the establishment and continuance of the Bluescope

steel works at Port Kembla. While the region is now far more diversified and less dependent on both mining and steel, it is a long way from being able to prosper in their absence. The region needs to use its historical advantages to build a long-term sustainable future that leverages off its coal mining base rather than discarding it.

The mine supports round 400 direct jobs, which will expand to 500 with the mine extension. Another 200 will be employed in construction of the extension. However, as BlueScope has pointed out, the employment and economic benefits extend much further. The mine supplies about 60% of the coal required for the Port Kembla steel mill, which provides around 3,500 direct jobs and 5,400 indirect jobs in the region.

Not only is the mine a key supplier for the Port Kemba mill, it also supplies coal to the Whyalla steel mill, the only other large blast furnace steel mill in Australia. The Australian steel industry relies heavily on Illawarra metallurgical coal and Dendrobium in particular.

BlueScope has advised that it would incur substantially greater production costs if required to import its coal from elsewhere, including not only the port facilities but the increased freight cost.

In the much longer term it is conceivable that iron and steel will be able to be made without metallurgical coal. The development of so-called green steel depends on many factors, most of which have not been successfully resolved. Green steel requires green or blue hydrogen (ie hydrogen made with low or zero greenhouse gas emissions) to replace the coal, and there is not a large source of either anywhere in the world. Major cost, technology and scale barriers remain to be overcome. Green steel production would also require the Port Kembla steel mill to be substantially rebuilt as the production process – Direct Reduction Iron – is quite different. This very large capital cost is not commercially feasible in the near term. Therefore, the Dendrobium mine

extension is needed for the continuance of the steel mill in the coming decades.

The union is not in a position to argue the environmental impacts of the mine extension. We have always supported rigorous environmental impact assessment, operating mine management and post-mining rehabilitation processes.

South32 as the mine proponent has gone to extraordinary lengths to mitigate impacts in a mine design that has largely been developed with that mitigation as a primary concern. With respect to the key issue of impacts on water reservoirs, the proponent's design does not undermine the reservoirs, named water courses or key stream features. The project is estimated to divert less than 1% of the water yield of the Avon and Cordeaux catchments, and moreover the company will compensate Sydney Water for that loss.

We note that the Department of Planning, Industry and Environment has recommended the project be approved after considering the social and environmental impacts in great detail. We endorse the key conclusion of the Department in its October 2020 report:

“On balance, the Department believes that the Project's benefits significantly outweigh its residual costs, and that it is in the public interest and is approvable, subject to the recommended conditions.”
(page xvii)

The union urges the Independent Planning Commission to issue a determination in favour of the project.

Yours sincerely,

Andy Davey



CFMEU

District Secretary

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