Shoalhaven Starches Pty Ltd
Manildra Group
PO Box 123
NOWRA NSW 2541

Attention: Brian Hanley, Manildra Group Manager

25 September 2012

Dear Mr Hanley

Proposed Coalpac Consolidation Project – Castlereagh Highway, Cullen Bullen

As you are aware, the Commission is currently conducting a Review, under section 23D(1)(b)(ii) and Schedule 3 of the NSW Environmental Planning and Assessment Act 1979, of the Coalpac Consolidation Project Proposal (10_0178) at Cullen Bullen, near Lithgow. The terms of reference are to:

Carry out a review of the Coalpac Consolidation Project, and:

a. Consider the Environmental Assessment of the project, all issues raised in submissions on the project, and any information provided on the project during the course of the review;

b. Assess the merits of the project as a whole, paying particular attention to the potential:
   - Local health and amenity impacts of the project, particularly dust, noise and blasting impacts noting its proximity to the village;
   - Biodiversity impacts of the project;
   - Water resource impacts of the project; and

c. Recommend appropriate measures to avoid, minimise and/or offset these impacts.

Shoalhaven Starches Pty Ltd made a written submission on the Environmental Assessment for this project on 9 May 2012. The company also made an oral submission at the Public Hearing held at Lithgow on 19 September 2012. These submissions have expressed support for the Project based on the current supply of competitively priced coal to Shoalhaven Starches. However the submissions were of a general nature and lacked information to substantiate the claims made. As a result, without further information the Commission can accord them very little weight in the review process.

The concluding statement at the Public Hearing was that ‘the coal from Invincible Colliery is absolutely essential for the continued competitive operations of our Shoalhaven Starches facility at Bomaderry’. The Commission’s interpretation of this concluding statement is that Shoalhaven Starches will cease operations when coal from Invincible Colliery is no longer available.
Can you please advise:

(i) whether this is the correct interpretation;
(ii) if not, what interpretation should be given to this statement;
(iii) given that the Coalpac approval process will inevitably extend beyond December 2012, can Shoalhaven Starches confirm whether alternative sources of coal have been identified to maintain production at Shoalhaven Starches?
(iv) can Shoalhaven Starches advise the proportional contribution to total production cost for Coalpac-sourced coal, and the possible alternatives?

If Shoalhaven Starches considers that any other information would be of use to the Commission in its review then please feel free to provide it. Any written response containing answers to the above questions or providing additional information would need to be received by close of business 19 October 2012.

Ms Sera Taschner (Commission Secretariat) can assist with any enquiries concerning the Commission's requests on (02) 9383 2117 or email sera.taschner@planning.nsw.gov.au.

Yours sincerely

Dr Neil Shepherd AM
Chair, Coalpac Commission