Coalpac Project Development Application

Speaking Notes for Shoalhaven Starches’ submission to hearing of PAC on 19 September 2012

- Mr Chairman, Commission Members.

- Shoalhaven Starches appreciates the opportunity to speak in support of the Coalpac project at this hearing. In May of this year the company has also provided a written submission in support of the project during the public exhibition of the Environmental Assessment report.

- My name is Brian Hanley, I am the Manager Energy and Sustainability at the Shoalhaven Starches’ major manufacturing facility at Bomaderry near Nowra in NSW.

- Shoalhaven Starches Pty Ltd is a member of the Manildra Group of companies which is a wholly Australian owned business established in 1952 with a single flour mill in the NSW country town of Manildra near Orange. The Manildra Group is today the largest processor of wheat in Australia.

- The Shoalhaven Starches factory at Bomaderry produces a range of wheat based products which are sold into both domestic and international markets in the food, beverage, confectionary, paper and transport industries. The Bomaderry factory directly employs around 300 people and represents a capital investment of more than $500 million. The value of products exported from the Bomaderry factory exceeds $250 million per annum.

- The operation of the Shoalhaven Starches factory is dependent on Coalpac’s Invincible Colliery for the supply of coal to fuel its coal fired boilers which generate around 50 per cent of the factory’s process steam requirements.

- The coal fired boilers at our Bomaderry plant are fitted with spreader stokers and chain grates. To ensure the efficient and cost effective operation of these types of boilers it is critical that the coal supplied to them is within strict tolerances in terms of ash content and sizing.

- While Coalpac has been able to meet the critical coal specification requirements of our boilers, Shoalhaven Starches has not been able to source competitively priced coal of a suitable quality from collieries other than from Invincible.
• Consequently, Shoalhaven Starches has been purchasing coal from Coalpac's Invincible Colliery for many years.

• Coalpac have recently confirmed that our coal supply from Invincible Colliery site will run out by the end of December 2012, unless the project is approved to mine additional coal for our requirements. After that time it will be approximately 3 months from the date the approval is granted before supply can be recommenced subject to the subsequent mining lease approval process and conditions.

• Shoalhaven Starches therefore strongly supports the approval of the Coalpac project at the earliest possible date.

• In conclusion, we reconfirm the advice we provided to the Department of Planning and infrastructure in our written submission in support of the Environmental Assessment for the project, that the coal from Invincible Colliery is absolutely essential for the continued competitive operation of our Shoalhaven Starches facility at Bomaderry.

• Thank you

Brian A Hanley
Manager
Energy & Sustainability
Shoalhaven Starches Pty Ltd