



Acknowledgements

- Good Morning Chairman, Commissioners and fellow attendees.
- Before I begin...I'd like to acknowledge the Wiradjuri people...the traditional custodians of the land on which we meet today...and I pay my respects to their Elders past and present.

Introduction

- I am pleased to have the opportunity to present to the panel on behalf of KEPCO Bylong Australia on the Bylong Coal Project.
- These hearings and the subsequent deliberations by the PAC are a key milestone for us as an organisation...we have been working for more than seven years to get to this point.
- In this time we have been an approachable and consultative community partner in Bylong and surrounding areas...not only going about our day to day operations but also supporting local businesses and suppliers.
- Along the way we've also provided funding and in-kind support to local organisations for an array of community initiatives.
- If we get the opportunity to proceed with our project...KEPCO Bylong Australia will be in a position to continue and expand its association with Bylong and surrounding communities for at least the next 25 years.

About KEPCO

- Before I get into the detail of the project...I would like to provide you with some information about KEPCO Bylong Australia.
- Our company, KEPCO Bylong Australia, is a subsidiary of KEPCO...the Korea Electric Power Corporation. Our parent company was established in the late 19th century and has since grown to become one of the largest electricity generation, transmission and distribution companies in the world.
- KEPCO's core mission is to provide energy security for the people of South Korea....making this project entirely viable...in that the coal resource already has an end customer.

Project snapshot

- In terms of the project itself we propose to mine up to 6.5 million tonnes of coal per annum...consisting of two open cut mining areas and a significantly larger underground operation.
- The two open cut areas comprise around 26% of total coal production.
- The open cut component of the Project will recover coal that is too shallow to be safely accessed by underground mining. This minimal open cut component is necessary in order for the Bylong Coal Project to be economically viable.

- The model of minimal open cut followed by underground mining will enable us to progressively backfill the open cut area with reject materials from underground operations and avoid the need for a tailings dam.
- We have committed to progressively rehabilitating the entire open cut area suitable for pasture, fodder cropping and native vegetation.
- The majority of mining will occur underground...representing about 74% of all coal production for the project...occurring over a period of 20 years.
- The existing Sandy Hollow-Gulgong rail line runs through the project area. A short rail spur and loop will connect to the main line enabling coal to be transported via rail to the Port of Newcastle.
- In total, the project life is approximately 25 years, comprising a two year construction period and a 23 year operational period.

Economic and Employment Benefits

- The project will benefit the Bylong community, the Mid Western Council region and the State of New South Wales through employment and economic benefits.
- In particular, the Kandos and Rylstone townships have suffered greatly since the closure of the former coal mines, power generation facilities and the Kandos Cement works within the local region.

- This Project will provide significant economic stimulus to those communities and the wider Mid-Western Regional Council Local Government Area.
- The project involves capital investment of approximately \$1.3 billion. To date we have invested around \$600 million.
- In this time, we have procured the services of local businesses and contractors servicing both our farm operations and exploration activities including irrigation, machinery and vehicle servicing, farming equipment and supplies, security, cleaning, builders, earthworks, safety equipment, exploration drilling and equipment hire.
- KEPCO Bylong Australia will continue to work with the Mid-Western Regional Council and the NSW Department of Planning & Environment to ensure there is appropriate accommodation available, particularly during the construction phase of the project.
- It is estimated that over the life of the mine approximately \$592 million will be paid to the NSW and Federal Government in taxation and royalty benefits.
- The project will of course be a major source of jobs in a region which needs employment opportunities.
- The Bylong Coal Project will directly employ up to 665 people at peak construction and 470 people during peak operations and will have an average annual direct workforce of around 290 workers.

- KEPCO Bylong Australia has negotiated a Voluntary Planning Agreement with Mid-Western Regional Council which will invest approximately \$9 million in local infrastructure and services.
- We are also contributing to road upgrades and widening projects, which will also improve local motorists' safety.

DPE Assessment Report

- I now turn to the Department of Planning and Environment's Secretary's Environmental Assessment Report...which notes that *"KEPCO has designed the project in a manner that achieves a reasonable balance between maximising the recovery of a recognised coal resource of State significance and minimising the potential impacts on surrounding land users and the environment as far as is practicable"*
- It also notes *"On balance, the project is approvable, subject to stringent conditions."*
- The Department has provided recommended Development Consent conditions for the PACs review and consideration. These recommended conditions specify a range of strict controls for our project in regard to heritage, local infrastructure, water, biodiversity, rehabilitation and our mining operation.
- The Department's recommended conditions require KEPCO Bylong Australia to commission 10 management plans on issues including:

- Subsidence;
 - Management of the Bylong Valley Way;
 - Water;
 - Biodiversity
 - Land Management;
 - Heritage;
 - Public Safety
 - Historic Heritage; and
 - Rehabilitation
- Each of these management plans require us to consult with relevant bodies such as state and federal government agencies, local councils and other affected parties.
 - In addition to these management plans, the recommended conditions require mitigation of visual impacts and to develop and implement comprehensive Social Impact Management Plan and Heritage Impact Management Plan.

Ministerial Terms of Reference

- The Ministerial Terms of Reference cover a wide range of issues that the Minister for Planning has asked the Commissioners to consider.

Ministerial ToR Point: The social impacts on the Bylong village and surrounds

- The first of these is social impact. Any major development – whether the proponent is building a block of units, a football stadium or a coal mine – will meet with some community opposition.
- We understand and respect that people have a range of opinions about the project. We welcome all the feedback we have received and will continue to receive.
- In this regard, KEPCO has undertaken widespread, effective and transparent consultation since acquiring the Authorisations, and the final project design reflects this input.
- In order to reach as many people as possible we have utilised:
 - A permanent project office in Bylong staffed by both locals and experts from across NSW;
 - A dedicated website;
 - A “1800” hotline;
 - One on one consultation;
 - Community meetings;
 - Project stalls at local events;
 - Group site tours;
 - Letter box drops;
 - Advertising in local and regional media;
 - A regular newsletter distributed to approximately 550 people;

- Phone calls, emails and mail correspondence.
- I myself along with members of the KEPCO executive have conducted face to face meetings with a diverse range of stakeholders – those with concerns, people who think it will be good for the region and others looking to understand how they could potentially work with us.
- I assure you that KEPCO Bylong Australia has listened to the local and regional community and sought to limit the effects of our project on local amenity.
- We acknowledge that there is a small minority of residents in the region who are opposed to the Bylong Coal Project...including some that oppose mining full-stop.
- But there are also many locals who look forward to the jobs and economic stimulus the project will provide.
- Personally, I have been heartened by the words of support from people in Bylong, Mudgee and other towns such as Kandos and Rylstone who have approached me and my staff about the way we've gone about our work and this project more broadly.
- In our community open days, the overwhelming question asked is 'can I get a job when the mine commences' and 'when will that be' - we see this particularly but not only in the Kandos/Rylstone area
- Another way we have sought to minimise impacts on residents has through been the fair and appropriate acquisition of local properties.

The company has erred on the side of generosity in order to compensate those land owners who might otherwise have been unduly impacted by the Bylong Coal Project.

Ministerial ToR Point: Impacts on heritage values associated with the Tarwyn Park property, including natural sequence farming

- On the second issue raised by the Minister, KEPCO is committed to preserving local heritage. Our technical assessments have identified a number of sites at the Tarwyn Park property including the homestead, stables and Natural Sequence Farming which have been assessed to comprise heritage values at a local level.
- While some minor sections of the Tarwyn Park property will form part of the mine, KEPCO will conserve the homestead and stables in their current condition, and continue the soil hydrology techniques at the Natural Sequence Farming areas.
- KEPCO Bylong Australia has explored working with a number of different organisations to support the research of agricultural soil hydrology techniques at Tarwyn Park.
- After discussions with a number of academic institutions we have entered into an agreement with the University of New England to undertake research into rehabilitation strategies using soil hydrology techniques for the Bylong Coal Project.

- When we took possession of Tarwyn Park last year, large parts of the property, including those buildings with assessed heritage value, were in poor condition.
- We have already invested significant funds to improve the buildings and facilities at Tarwyn Park, including substantial works to preserve the homestead.
- KEPCO is committed to seeing Tarwyn Park become a viable agricultural property whilst upgrading the homestead and other buildings recognising their history. KEPCO sees that substantial funds will need to be invested in the property to achieve this.

Ministerial ToR Point: The justification for the open cut stage of the project

- As identified in the Terms of Reference, the Bylong Coal Project will include both open-cut and underground operations.
- Progressive rehabilitation will be undertaken at the open-cut area to reinstate the land suitable for a mix of pasture, fodder cropping and native vegetation.
- The open-cut component of the Project will recover coal that is too shallow to be safely accessed by underground mining. Open-cut operations will also mean that construction of a tailings storage facility can be avoided. The void remaining at the end of open-cut mining will be progressively backfilled with materials from underground operations.

- KEPCO Bylong Australia has been working with the community to reduce the impact of the Bylong Coal Project on local residents' amenity. We have sought to minimise the visual, noise, traffic and other impacts of the project.
- In line with community expectations and in response to community and government feedback, we have reduced the scale and duration of open cut mining to the minimum amount in order to ensure the financial viability of this project.
- The Department of Planning and Environment noted and endorsed this minimal approach to open cut mining in their Assessment Report. The Environmental Assessment Report concludes that "*the proposed open cut component of the project is reasonable and warranted*".

Conclusion

- I want to finish by reiterating my company's strong commitment to the successful and sustainable development of this project. It offers significant benefits to Bylong, the region, NSW and the broader Australian community including:
 - A \$1.3 billion investment in NSW and in the Mid-Western Regional Council area;

- Direct employment of up to 665 people at peak construction and 470 people during peak operations and will have an average annual direct workforce of around 290 workers.
- Nearly \$600 million in funds to state and federal governments; and
- \$9million through a Voluntary Planning Agreement with the local council.
- This is a once in a lifetime opportunity for the Bylong Valley which will bring new people, new funds and new opportunities. I can assure you that KEPCO Bylong Australia will be a partner deserving of the community's trust and confidence.
- I respectfully encourage the Planning Assessment Commission to acknowledge the many merits and recommend the approval of the Bylong Coal Project.