



Mr Mark Ihlein
Director Planning & Infrastructure Services
PO Box 314
Singleton NSW 2330


Dear Mr Ihlein

**State Significant Development - United Wambo Project (SSD 7142)
Voluntary Planning Agreement**

As you would be aware, the Department commissioned GLN Planning to undertake an independent expert review of the proposed development contributions for the United Wambo Open Cut Coal Mine Project (SSD 7142). This review was initiated to assist with resolving an impasse in negotiations between Singleton Council and Glencore over the appropriate contribution amount to be agreed under a Voluntary Planning Agreement (VPA).

As agreed by all parties, the scope of the engagement was to advise on the acceptability and reasonableness of Glencore's previous offer of \$1.2 million, having regard to Council's response to the offer and its November 2017 resolution, the predicted impacts of the project and relevant VPA policies, guidelines or practice notes. Further, if the offer was considered insufficient, GLN Planning was also requested to advise on more appropriate contributions for the project.

GLN Planning has now completed this review and concluded that Glencore's latest offer of \$1.2 million was too low and that a more reasonable quantum would be \$2.65 million based on previous VPAs in the area, community expectations, additional full-time equivalent workers, run-of-mine coal tonnage, predicted impacts on community infrastructure and services impacts and predicted social impacts. I have enclosed a copy of GLN Planning's report for your consideration.


The Department accepts GLN Planning's methodology, findings and recommendation that the development contributions should be \$2.65 million, distributed equally between the local affected communities and the wider local government area.

As you would be aware, the Department referred the project to the Independent Planning Commission on 12 November 2018 and the project cannot be determined until this matter is resolved. Based on previous discussions, the Department expects that both parties will be satisfied with this outcome and that the matter can now be readily resolved without delaying determination.

The Department has requested that Glencore make an in kind offer to Council before 6 December 2018, to allow it to be tabled at Council's last meeting of the year on 17 December 2018. The Department now requests that Council accepts this offer before the end of year.

If you wish to discuss this matter further, please contact Megan Dawson on the details listed above.

Yours sincerely,


Howard Reed *20.11.18*
Director Resource Assessments