

Monday, 7 December 2020

Commissioner Stephen O'Connor  
Panel Chair, Dendrobium Mine Extension Project  
Office of the Independent Planning  
Commission NSW  
Level 3, 201 Elizabeth Street  
SYDNEY NSW 2000

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Dear Commissioner

**Submission of support for South32's proposed Dendrobium Mine Extension Project**

On behalf of Australia's largest private rail freight company, I write to express Pacific National's strong support for South32's proposed Dendrobium Mine Extension project to continue its mining activities and investment in the Illawarra region.

Expanding the Dendrobium Mine will deliver future stable volumes of high-quality metallurgical coal for Australia's steel industry, not to mention helping to underpin freight supply chains in the region.

As outlined in South32's submission, metallurgical coal is critical to the production of blast furnace steel. As an essential raw material, there is currently no alternative to its use in the steelmaking process. Unfortunately, today, many Australians are not aware of this basic fact.

While Australia's future as a steel producing nation is heavily dependent on the outcome of this planning decision, it is not just coal miners and steelworkers who rely on stability and investment certainty in the resources sector. There is also a finely tuned freight supply chain built around hauling metallurgical coal from 'pit to port' which will benefit from this proposed mine extension.

In fact, Pacific National currently hauls more than five million tonnes of coal for South32 each year, employing approximately 30 highly trained and skilled train crew in the Greater Wollongong region.

Each week, Pacific National provides approximately 80 rail freight services for South32 from Kemira Valley to Port Kembla. These rail services provide long-term, high paying freight jobs in the region.

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Our weekly rail services are also supported by numerous domestic suppliers and trades, including providers of maintenance of rail freight rollingstock (i.e. locomotives and coal wagons).

This year the coronavirus pandemic has put into sharp focus the criticality of freight, local manufacturing, mining, and export industries to the nation's current and future economic and social prosperity.

Australia's recovery from COVID-19 will be inextricably tied to decisions like these which will ultimately determine the capacity of domestic industries to deliver investment and jobs going forward.

### **Multiplier effect and broader benefits of proposed project**

Pacific National strongly supports the Dendrobium Mine Extension Project, recognising the employment and economic benefits it will deliver to the region, state of NSW and the nation.

As outlined by South32, the proposed Dendrobium Mine Extension Project will provide a stable source of high-quality metallurgical coal for local Australian steelmakers, with the balance being shipped to international customers.

In summary, the project will:

- Support the ongoing employment of 500 people and create 200 new construction jobs;
- Ensure the ongoing and essential supply of metallurgical coal and support the continuation of BlueScope's Port Kembla Steelworks;
- Deliver economic contributions to the state of NSW through royalties;
- Boost economic opportunities for Illawarra business reliant on the operation of the mine; and
- Support ongoing capital investment in the region and the state of NSW.

The Dendrobium Mine Extension project will be critical to Australia's economic recovery, and if approved, the project is estimated to deliver a net economic benefit of A\$2.8 billion to NSW alone.

The immediate economic and employment benefits of the proposed Dendrobium Mine Extension are well-documented (e.g. construction jobs; supporting local manufacturing of steel etc), but Pacific National would like to also stress how the project will help strengthen the existing rail supply chain capacity in regional NSW.

Outside of the specific South32 rail operations at Dendrobium Mine, but in a broader context, freight operators like Pacific National also help to generate an important stream of revenue for government via the payment of rail access charges to rail infrastructure managers like the Australian Rail Track Corporation (ARTC) and Transport for NSW.

In this challenging COVID-19 environment more Australians understand and appreciate the importance of our export industries, not to mention the supply chains which underpin their growth and success.

The proposed Dendrobium Mine Extension project allows Pacific National to continue to maintain our services and preserve regional jobs, including future recruitment and training of locals in the Illawarra region to work in Australia's rail freight industry. Such activities further complement the job-generating aspects of South32's mine extension proposal.

Kind regards



Dean Dalla Valle  
Pacific National CEO