



9 August 2013

The General Manager
Lithgow City Council
PO Box 19
LITHGOW NSW 2790

REFERENCE - LEP2013

Dear Sir

Centennial Coal (Centennial) is an Australian mining business supplying thermal and coking coal to the domestic and export markets. Centennial is a major fuel supplier to the New South Wales energy industry, fuelling approximately 40% of the State's coal-fired electricity. Furthermore, we have a growing export capability and currently sell approximately 40% of our coal into the export market through ports at Newcastle and Port Kembla.

Centennial is committed to being a sustainable supplier of coal to both the domestic and export markets. While many factors are undertaken to achieve this position, within the communities we operate we place a high value on our corporate reputation and social licence to operate. Centennial has a significant investment in the western coalfields with half our business located in the region. Among a range of factors, to be a sustainable business in the Lithgow LGA Centennial will seek zero harm to the environment, build capacity within the community, value our employees and secure new resources.

Our current operations include: Airly, Angus Place, Charbon, Clarence, and Springvale. We have a range of projects currently underway which will add further value to our stake within the Lithgow LGA these projects include: Airly Mine Extension, Angus Place Mine Extension, Inglenook Exploration Project, Lidsdale Siding, Neubeck Project, Springvale Mine Extension and Western Coal Services.

The importance of the coal mining industry to the regional economy is abundantly clear in Lithgow City Council's Economic Development Strategy (EDS) 2010-2014. This is substantiated by the following material included in the EDS;

- "In 2006, the mining sector employed 10% of the total Lithgow resident workforce second only to the Retail sector at 11.2%".
- "The largest employer in Lithgow Local Government Area is mining".
- "only the mining sector had a greater percentage contribution to gross regional product (27%) than its share of employment (12%).

In our western operations Centennial has 933 employees with an estimated wages bill of \$112 million annually. The sustainability of the mining sector and its related employment is clearly vital to the broader economic wellbeing of the area.

With the above in mind, Centennial believes that the sustainability of the industry can be achieved in part via appropriate provisions being made to protect and provide some degree of certainty to the

ongoing viability of the industry in the Lithgow LGA. The LEP is one such instrument which can support this.

Despite mine related development usually falling under the State and Regional Development SEPP and the Mining, Petroleum Production and Extractive Industries SEPP, Centennial always considers local planning instruments such as the LEP when planning for new projects or expanding our existing operations. We therefore request that Lithgow City Council consider the following:

- Centennial believes that mining should be defined within the LEP and specifically be recorded as a permissible activity in any relevant zone. For example RU1 and RU2 zones and the land use table specifically lists "open cut mining" and "extractive industries" as activities permissible with consent. However does not list "mining" and "underground mining".
- Centennial has a number of major infrastructure sites throughout the Lithgow LGA which include pit top facilities; coal preparation plants etc. We believe that these existing infrastructure sites should be zoned industrial in recognition of, and to protect the current land use now and into the future.

The above inclusions in the LEP would provide a degree of certainty to the mining industry which makes a significant contribution to the LGA.

Yours faithfully



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