

Xstrata to pay \$4.5M

BY ROBYN MURRAY

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Mid-Western Regional Council mayor Des Kennedy said yesterday he was delighted with a Voluntary Planning Agreement (VPA) with Xstrata Coal that will provide more than \$4.5 million for the region.

Under the VPA for the Ulan West Coal project, Xstrata will contribute \$3.75 million for community infrastructure and pay \$50,000 a year for 21 years to maintain Cope Road, between Gulgong and the mine.

With payments to be adjusted for inflation, the contribution to Cope Road will total \$1.05 million plus inflation-based increases.

Mid-Western Regional Council had sought \$12 million from Xstrata, including \$9 million for community infrastructure and \$3 million to maintain Cope Road.

But at an extraordinary meeting on Wednesday, Cr Kennedy said the proposed VPA was an improvement on the Department of Planning recommendation that Xstrata contribute \$2.4 million plus \$25,000 a year for 21 years for Cope Road, a total of \$2.925 million.

Cr Kennedy said Xstrata had also agreed to pay the first \$2million installment of the community infrastructure payment within 30 days of the mine being approved and a further \$1.475 million within a year of the of the first payment, rather than when mining begins in 2014.

In a statement released yesterday, Cr Kennedy said Xstrata had offered substantially more than they would have been required to give council to help offset the impact of the planned Ulan West mine expansion.

“I was delighted to accept their offer and I am glad that my fellow councillors gave approval to the agreement,” he said.

However, at Wednesday’s meeting, councillors criticised the State Government’s role in negotiations with Xstrata, initially without consulting the council.

“In comparison with the \$1.9 billion in royalties being paid over the life of the mine, it is absolutely pathetic, but we have got ourselves in the best possible position compared to the worst at the start [of negotiations},” Cr Russell Holden said.

Cr Kennedy said the VPA would help clear the way for State Government approval for the \$1.2 billion thermal coal project at the Ulan Coal site.

Construction of the mine will generate more than 250 jobs, and 350 people will be employed in ongoing operations.

Council has authorised general manager Warwick Bennett to work with Xstrata to finalise the draft VPA and place the document on exhibition for 28 days.

Ulan contribution acknowledged

Cr Kennedy acknowledged Ulan Coal’s contribution to the Mid-Western Region as one of the area’s largest employers and a major supporter of schools, hospitals and other causes.

During the past financial year, Ulan Coal paid almost \$364,000 in rates, fees and charges, and will pay a similar amount this year.

Ulan Coal is mid-way through a three-year, \$300,000 agreement to fund a council youth Worker and also donated \$90,000 for a mobile library van. Ulan Coal and Xstrata have given Mudgee

Hospital \$240,000 for beds and equipment including an ECG machine, contributed \$30,000 to Gulgong Hospital for two hospital beds and an ECG machine, and given more than \$30,000 to the Cudgegong Learning Community and Ulan School.