

Mid-Western Council wants better deal from mine

22 Oct, 2010 10:34 AM

Mid-Western Regional Council is calling for Xstrata, owners of Ulan Coal Mines Limited, to contribute \$12 million towards roads and community infrastructure as part of approval for the Ulan West project.

Mayor Des Kennedy and general manager Warwick Bennett met Department of Planning representatives in Sydney yesterday to put their case for a greater contribution from the mine owner to help the region cope with the growing demand for medical and community services and housing and offset the cost of maintaining roads carrying mine traffic.

Mid-Western Regional Council is seeking \$9 million from Ulan Coal for community infrastructure and \$3 million to upgrade Cope Road, linking the mines and Gulgong.

The council also wants a voluntary planning agreement (VPA), outlining Ulan Coal Mines' contributions, to be in place before the project is approved by the State Government.

Under the draft conditions of consent presented to council on Wednesday night, Xstrata would not be required to have a VPA in place until the end of December 2011.

Council is concerned this would undermine their negotiating power when the VPA is put in place.

Cr Kennedy and Mr Bennett will meet with Minister for Planning Tony Kelly on November 3 to discuss the Ulan West proposal.

After yesterday's meeting, Cr Kennedy said Department of Planning officers had appeared sympathetic to council's request for roads contributions.

"The VPA is what we need to get sorted out with Xstrata over the next two weeks," Cr Kennedy said.

Cr Kennedy said there was no statutory requirement for mining companies to contribute towards community infrastructure and any VPA would require the willing participation of Xstrata.

"We don't want to be seen to be coal bashing, but we have got to do our best for the people of Mudgee," he said.

"Coal is great for Australia and great for the State Government, but the people who are coming here have to have schools to put their kids into, hospitals to get fixed up in, pools to swim in and libraries to read books in," he said.

Council is preparing a submission in response to the draft conditions of operation, outlining concerns including about water use, the effect on The Drip, noise, health issues and housing shortages, and trains between Gulgong and Kandos.

The submission will also express concern that the mine could be allowed to carry coal on the road in the event of an undefined "emergency", without advising the council or the community if such an event occurred.

The proposed conditions of consent would allow Ulan Coal to extract up to 4.1 million tonnes of run-of-mill coal a year from open cut operations west of the existing Ulan mine and export up to 20 million tonnes of coal from the site a year until 2031.

All coal would be transported from the site by rail and no more than 10 trains would be allowed to leave the site each day.

The draft conditions state the VPA must provide for contributions towards "provision of local infrastructure and services to meet the demand generated by the project in the Mid-Western Local Government area" and "maintenance of Cope Road, proportionate to the relative contribution of the project to the total traffic on the road."

Ulan Coal would also be required to prepare a strategy for maintaining and upgrading Ulan Road, in conjunction with Moolarben and Wilpinjong Mines, by the end of 2011.

The strategy, to be prepared in consultation with the RTA and Council, would estimate the costs of upgrading and maintaining the road, and identify ways to reduce mine traffic.