



19 August 2019

Mr. Andrew Muir  
Director Economic Development and Environment  
Lithgow City Council  
PO Box 19  
Lithgow NSW 2790

Dear Andrew

**Voluntary Planning Agreement Re Clarence Colliery Modification 5 Proposal to Increase Employees**

As you are aware, Centennial Clarence (Clarence) has submitted a modification to its consent (DA504-00) to increase its workforce by 100 full-time equivalent (FTE) employees to give a total of up to 400 FTE. In response to Lithgow City Council's request re: a Voluntary Planning Agreement per employee, Clarence provides the following response for your consideration.

The modification to increase employees may not actually reflect the total number of employees at the site. The modification allows flexibility to increase employment if and when needed to meet operational demands.

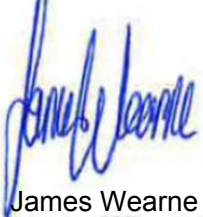
It is our position that increased employment makes a positive social and economic contribution to the Lithgow Local Government Area (LGA). At present, 81% of Clarence employees reside in the Lithgow LGA. Consistent with the current profile, there is some expectation that a significant proportion of any new employees will either be currently resident in, or may relocate to the LGA. The principal economic effect resulting from an increase in employment is the impact that additional employee salaries will have on businesses in Lithgow in particular, and to a lesser extent in neighbouring regions. Research undertaken by the Aigis Group, on behalf of Centennial indicates that:

- additional employees may add between \$2.5 million (77 FTE) and \$3.4 million (100 FTE) per annum;
- in addition to the consumption-based activity described above, a resident workforce is also more likely to invest in residential and/or investment property in the LGA and its surrounds;
- our workforce actively participates in social, sporting and cultural activities within the LGA (such as schools, sports, charities, volunteer emergency services and various others).

Furthermore, the addition of 100 FTE jobs to the regional workforce may have a number of other social effects. For example, the increase in population can be expected to result in an increase in demand for services. A series of assessments of effects on public infrastructure relating to successive Centennial consent matters for regional operations over recent years (e.g. traffic impact assessments) have indicated significant unused capacity. Consequently, increases in use of public infrastructure resulting from the increase in employment and population of such limited scale are likely to be met by existing capacity.

With the above in mind, our position is that the additional 100 FTE positions will be an overall positive contribution to Lithgow's economy and as such there is no basis or nexus to justify a VPA.

Yours sincerely



James Wearne  
**Group Approvals Manager**