

20 June 2024

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 Department of Planning, Housing and Infrastructure  
 4 Paramatta Square, 12 Darcy St  
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**Re: HVO Continuation Project (SSD 11826681 and SSD 11826621) - Response to request for additional information - workforce accommodation**

Dear Joe,

## 1 Introduction

This letter addresses correspondence dated 24 May 2024 from the Department of Planning, Housing and infrastructure (DPHI) requesting Hunter Valley Operations (HVO) provide additional information regarding how construction workers are proposed to be accommodated during the construction phase of the HVO Continuation Project (the Project).

## 2 Background

### 2.1 Construction workforce assumptions

Over the five-year construction phase, the Project is expected to require a peak of approximately 600 full time equivalent (FTE) workers working on site, as described in the Social Impact Assessment (SIA, EMM 2022a) informing the Environmental Impact Statement (EIS, EMM 2022b) prepared for the Project. The peak of around 600 workers is expected to be required for approximately six months. Key construction elements are outlined in Table 2.1 and the associated anticipated construction workforce requirements are illustrated in Figure 2.1.

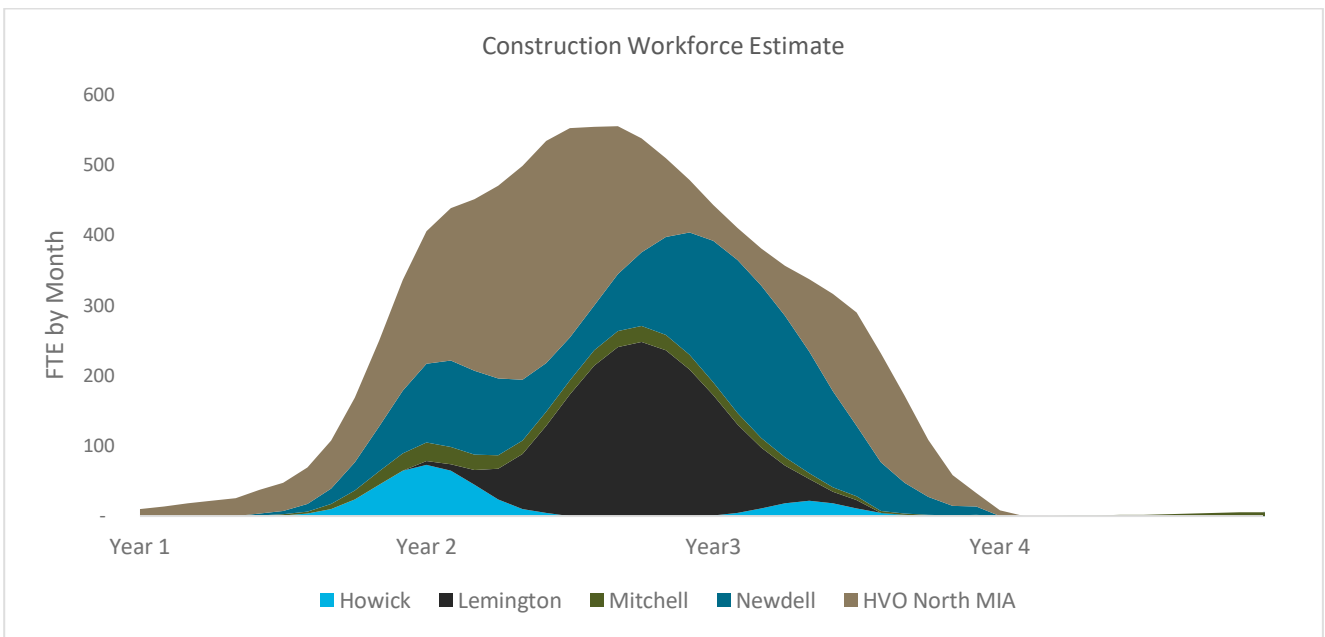
**Table 2.1 HVO Project - Construction**

Key construction elements	Feature (activity)	Indicative construction period
Mitchell	North Void Tailings Storage Facility (TSF) flood protection levee	Year 1 to Year 2
Lemington	Lemington Road realignment	Year 1 to Year 2
Mitchell	Transmission line and telecommunication line relocations	Year 1 to Year 2
Mitchell	Mitchell Pit clean water diversion	Year 1 to Year 2

**Table 2.1 HVO Project - Construction**

Key construction elements	Feature (activity)	Indicative construction period
Newdell	Tailings pump and pipeline infrastructure	Year 1 to Year 2
Mitchell	Mitchell Dam	Year 1 to Year 2
Howick	Parnells Dam enlargement	Year 1 to Year 2
HVO North MIA	HVO North site access road relocation	Year 2 to Year 2
HVO North MIA	HV MIA upgrades	Year 2 to Year 3
Newdell	Newdell LP upgrades and new product stockpile*	Year 2 to Year 3
Lemington	Lake James enlargement	Year 2 to Year 3
HVO North MIA	Haul road crossing to Ravensworth Operations	Year 3 to Year 5
Newdell	HVLP product stockpile extension*	Year 3 to Year 5

\*Only one stockpile of either the Newdell product stockpile or the HVLP upgrade will be completed.



**Figure 2.1 Construction workforce estimate and timing**

## 2.2 Social impact assessment outcomes

The SIA concluded that the Project may result in slight short-term changes to local populations through the temporary influence of construction workforce for a duration of 3–6 months.

It is anticipated that local construction workers will be sourced from within a one-hour commute of HVO and will therefore be accommodated at their existing place of residence. This encompasses a broad area, including the townships and surrounding areas of Singleton, Muswellbrook, Maitland and Cessnock, as well as the broader Hunter Valley Region into parts of broader Newcastle.

As outlined in Section 6.1 of the SIA, an assumption was made that around 30% of the construction workforce may need to be sourced from beyond a one-hour commute distance, which would result in up to 180

construction workers needing to be accommodated when working on the Project. This assumption was informed at the time of preparing the SIA by:

- analysis of local and regional labour market dynamics and available skill sets
- employment trends of previous and similar projects within and outside the regional area
- information gathered through EIS and SIA engagement with employment agencies and other stakeholders who have an appreciation of regional construction workforce dynamics.

However, it is considered that this is a conservative assumption. If up to 180 construction workers were required to temporarily re-locate to the region due to the Project, it may result in additional demand for rental accommodation. However, it is also noted that the peak construction period in which there is the potential for heightened demand for accommodation is only anticipated to occur for up to 6 months.

In the scenario where these workers are required to be accommodated, it is expected that the preferred form of accommodation sought would be short-term accommodation (hotels/motels/serviced apartments etc); however, rental accommodation may also be sought, most likely from neighbouring towns within a driveable daily commute such as Singleton, Muswellbrook, Cessnock and Maitland.

## 3 Further considerations

### 3.1 Accommodation availability

The Project is centrally located in the Hunter Valley, an area providing robust infrastructure and comprehensive amenities developed largely in support of mining activities. The region offers a diverse range of lodging options, including hotels, short term accommodation and rental properties available for the workforce.

A snapshot of housing availability in the local area can be derived from analysis of data from the REA Group (2024). This information was presented in the SIA (EMM 2022) and has been updated for this response. As of 12 June 2024, there were 62 properties for rent in the regional area, with 37 properties for rent in the broader Singleton area, and 35 in Muswellbrook and surrounds (REA Group 2024). There are no properties for rent in Jerry Plains (2330) and Camberwell (2330) and Maison Dieu (2330). Rental payments within the Singleton area range between \$250 and \$1,200 per week, with the lowest rental payments being in Muswellbrook at \$210 per week.

In the broader area of the Hunter Valley Region and Newcastle, there are 1,324 properties for rent (REA group 2024). Most of these properties are located within the localities Cessnock (32 properties for rent), and Newcastle and surrounds (372 properties for rent). Within the Hunter region rental payments are as low as \$120 per week and as high as \$3,000 (REA group 2024).

In relation to short-term accommodation, analysis of availability suggests that in 2022 there are more than 326 active Airbnb rentals in the regional area including an estimated 32 properties in the Muswellbrook LGA and 294 properties in the Singleton LGA. There are an estimated 1,147 active Airbnb rentals within the Hunter Valley Region and Newcastle, with 1,025 active properties within the Cessnock LGA (approximately a 75 km drive from HVO) and 122 active properties in the Maitland LGA (also approximately a 75 km drive from HVO) (Airdna 2022). Additionally, during SIA field study stakeholders identified the trend of properties being purchased and transferred out of the stock of private rental or owner-occupied housing and into the short-term accommodation or holiday rental market.

While the longer-term rental market currently has limited availability, there is substantial short-term accommodation for rent across the region.

## 3.2 Workforce availability

Given the long history of mining in the Hunter Valley, there are a large number of well-established businesses providing support services to mining projects and a regional labour force with applicable skills. As presented in Table 3.1 (and in the SIA (EMM 2022)), analysis of labour force characteristics of the broader Hunter Valley and Newcastle from which the construction workforce can be sourced, suggests that the total labour force with skills applicable for mine construction (includes industries of construction, electrical, gas and water and mining) is approximately 24,807 workers. The size of the local labour force in the Singleton and Muswellbrook LGA's with skills applicable to mine construction is 5,624 workers. This suggests there is a sufficient labour pool in the local and regional areas to meet the cumulative construction demand, as discussed further below. In addition, the requirement for up to 180 workers from outside the regional area to support the construction requirements for the Project is considered conservative. The details of the construction workforce required to relocate from outside the area will be reviewed by HVO during detailed construction planning, and in consultation with construction companies engaged to undertake the work.

**Table 3.1 Labour force characteristics and skills in the regional area and area of reference**

Area	Mining	Electricity, gas, water and waste services	Construction
Muswellbrook LGA	1,474	322	328
Singleton LGA	2,531	291	678
<b>Regional total</b>	<b>4,005</b>	<b>613</b>	<b>1,006</b>
Hunter Valley SA4	9,936	1,813	9,434
Newcastle SED	692	417	2,515
<b>Area of reference total</b>	<b>10,628</b>	<b>2,230</b>	<b>11,949</b>

Source: EMM 2022, HVO Continuation Project – Social Impact Assessment

## 3.3 Cumulative workforce considerations

The Hunter Valley's extensive experience in supporting mining operations underscores its capacity to manage large-scale projects. Integral to the region's socio-economic framework, mining has long been entrenched in the Hunter Valley's identity, fostering a workforce adept at meeting transient labour demands. With a proven track record of successfully hosting significantly larger projects in recent times (including Maxwell Underground Mine and Mangoola Continued Operations Project along with regular maintenance shutdowns at the numerous coal handling and preparation plants (CHPPs) across the Hunter Valley), the Hunter Valley is poised to provide the requisite resources and support for the peak 6 month construction period.

There are currently around 19 active coal mines across the Hunter Valley in various stages of operation. Two coal projects (according to information on the DPHI Major Projects Portal) are currently undertaking, or have approval to undertake, significant construction activities, being the Maxwell Underground Coal Mine Project (SSD-9526) and the Mount Pleasant Optimisation Project (SSD-10418). Construction workforce requirements and timing for these projects are summarised in Table 3.2.

Construction activities associated with the Maxwell Underground Coal Mine Project commenced in 2022 and are anticipated to be completed in 2025. It is assumed that construction activities requiring the peak construction workforce of up to 250 people has passed, with a reduced construction workforce of up to 90 people now operating on site to complete construction activities. With the construction requirements for the HVO

Continuation Project expected to peak in around Year 3 of the Project, it is not anticipated therefore that there will be any overlap of consequence with the Maxwell construction workforce.

According to publicly available information, the peak construction workforce for the Mount Pleasant Optimisation Project is anticipated in 2026 (associated with the mine infrastructure area expansion Stage 2a) and in 2032 (associated with the mine infrastructure area Stage 2b). There may therefore be some overlap between the construction stages of the HVO Continuation Project and the Stage 2a expansion at Mount Pleasant.

**Table 3.2 Concurrent resource sector (coal) project construction requirements**

Project name	Anticipated timeframe/Project life	Construction workforce
Maxwell Underground Coal Mine Project	Undertaken over a 36-month construction phase (with the peak in first 24 months) Construction commenced in 2022.	90
Mount Pleasant Optimisation Project	Peak construction workforce is anticipated in 2026 (associated with the mine infrastructure area expansion Stage 2a) and in 2032 (associated with the mine infrastructure area Stage 2b).	500

As outlined in the SIA, the construction and operation of non-resource sector projects in the Singleton and Muswellbrook LGA's which intersect with the construction of the Project were considered in the assessment of cumulative impacts from construction workforce numbers on local and regional housing availability and affordability. Non-resource sector projects considered as part of the cumulative assessment are summarised in Table 3.3, which has been updated since the preparation of the SIA to reflect the updated status of the Project and to consider projects that are either approved or have submitted a development application and EIS. The SIA also considered the Muswellbrook Bypass; however, the latest Federal budget did not allocate funding to this project.

**Table 3.3 Concurrent non- resource sector project construction requirements**

Project name	Anticipated timeframe/Project life	Development type	Construction workforce	Status
Muswellbrook solar farm	31-month construction phase	Electricity Generation - Solar	200	Under assessment by DPHI
Redbank power station restart	6-10 month construction phase	Electricity Generation – Other	331	Applicant responding to submissions
New England Highway – Singleton Bypass (TfNSW)	Early works commenced and due to open in late 2026	Road infrastructure project	250 <sup>1</sup>	Early works commenced and due to open in late 2026
Bowmans Creek Wind Farm	18 month construction phase	Electricity Generation - Wind	156	Approved in February 2024
Muswellbrook battery energy storage	12 months construction phase	Electricity supply	75	Approved in July 2023, expected to commence construction in late 2024

**Table 3.3** Concurrent non- resource sector project construction requirements

Project name	Anticipated timeframe/Project life	Development type	Construction workforce	Status
Maxwell Solar Farm	Approved in 2020	Electricity Generation - Solar	50	Approved, no publicly available information on when it is anticipated to be constructed.
Station – Future Land Use and Enabling Works Project	Peak activities expected to occur in first five years	Electricity Generation – Other	250	Under assessment by DPHI

1. The Singleton Bypass REF does not quote construction numbers, so a peak construction workforce has conservatively been assumed.

It is also noted that the construction workforce required to support the various construction projects in the Singleton and Muswellbrook local government areas in the foreseeable future will be partially offset by the closure of coal mines and power stations in the region, including the closure of Muswellbrook Coal in 2022, Liddell Coal Operations in 2023, Liddell Power Station also in 2023, and Integra underground mine scheduled for closure in 2024. The closure of these assets will influence workforce availability in the local area and demands on the local housing availability.

## 4 Proposed mitigation measures

Mitigation measures to be implemented to avoid and manage impacts associated with the short-term construction workforce include:

- Where possible, short-term accommodation will be prioritised rather than rental accommodation to meet requirements. This measure also aligns with the greater availability of short-term accommodation in the regional area.
- As part of planning for construction and throughout the construction period, HVO will continue to engage with councils so that relevant considerations that may affect accommodation availability, such as local tourist events, are identified and appropriate measures implemented in consultation with council.
- Maximise the number of workers with applicable skills able to be sourced from within a drivable daily commute from HVO.
- Development of a social impact management plan (SIMP).

## 5 Conclusion

It is expected that the temporary construction workforce associated with the Project will be adequately accommodated due to a combination of:

- available accommodation options in the region
- a locally skilled workforce in proximity to the Project
- a demonstrated ability to host a temporary workforce associated with construction and maintenance activities
- implementation of mitigation measures outlined in section 4 of this letter.

HVO will work in partnership with construction contractors to maximise the number of workers with applicable skills able to be sourced within a driveable daily commute from HVO.

I trust this information is sufficient for your purposes. If you require any further information, please contact me or Jason Martin, Approvals Manager, HVO Continuation Project, at [Jason.martin@glencore.com.au](mailto:Jason.martin@glencore.com.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'James Wearne', written in a cursive style.

**James Wearne**

Associate

[jwearne@emmconsulting.com.au](mailto:jwearne@emmconsulting.com.au)

## References

Airdna 2024, Vacation rental data, <https://www.airdna.co/vacation-rental-data> (accessed June 12)

EMM 2022a, *HVO Continuation Project Social Impact Assessment*

EMM 2022b, *HVO Continuation Project Environmental Impact Assessment*

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