

## Attachment 1

### Wilpinjong Extension Project: Social Impact Assessment

This technical review of the Social Impact Assessment is based on accepted guidelines and existing examples of best practice, including the Queensland Government Social Impact Assessment Guide (2013).

#### General comment

The Social Impact Assessment (SIA) for the Wilpinjong Extension Project, prepared by Elliott Whiteing (November 2015), identifies a number of significant negative social and economic impacts and benefits for the Local and Regional Project Contexts. The assessment of these impacts and benefits is, however, incomplete and inadequate. There are a number of methodological and analytical shortcomings in the SIA:

- The entire impact analysis section lacks evidence of social research and is devoid of actual, structured assessment. The analysis is largely descriptive and there is neither in-depth thematic quantitative analysis of identified social impacts nor qualitative analysis. There is a lack of stakeholder quotations to illustrate the research findings.
- Social impacts are only assessed as positive or negative. In any standard risk or impact assessment framework, risk and impact need to be assessed for key characteristics such as duration, significance (perceived and technical), likelihood etc.
- There is no ranking or prioritisation of social impact based on risk/significance of impact. Due to the lack of assessment described above, the impacts are not ranked or prioritised for management. This results in the impacts and their management strategies being portrayed as equal in importance, duration etc. It is considered common practice of any impact assessment to include ratings of impacts and opportunities. At no point is an assessment matrix provided to assess the relative extent of each impact or opportunity.
- No sense of stakeholder feedback: there is no information about if and how stakeholders were provided with opportunity to comment and provide feedback on impacts/opportunities and their ratings. Further information on methodology, sampling and research design is also required.
- There is limited cross-analysis of the data and a significant lack of consideration of cumulative, long-term impacts. The shortcomings in consideration of temporal and cumulative social impacts result in the proposal of inadequate mitigation and management procedures.
- There is a lack of benchmarks, standards, and best practice evidence. The SIA does not give any sense of whether an impact is significant based on evidence/benchmarks.
- The SIA explicitly articulates the immense impact that depopulation has had on local project area and states that, if the project proceeds, 'it is likely that the decline of Wollar would be accelerated' and 'the wider Wollar community would feel a sense of loss if this occurs.' The SIA does not engage further with this and the mitigation strategies that are proposed are inadequate and does not address the significant social volatility and vulnerability, the increased risk, uncertainty and stress that this would present. This is, in our opinion, highly problematic and of grave concern. There is a lot of existing research on this topic, which should have been referenced and used for analysis, and considering the significant impact on the local community a thorough analysis of the dichotomy between local and regional impacts and benefits are required.
- There is an insufficient description of the proponent. Considering the deep financial distress that the proponent is currently in, this seems to be of particular relevance.
- There is no assessment of health impacts. Due to the nature of the project (open-cut), extent of existing operations, and emerging evidence on coal mining and health impacts, we would push for the urgency of conducting a health impact assessment.

## 1. SIA requirements

The Department of Planning and Environment Secretary's Requirements (9 December 2014) specifies that the Environmental Assessment should include: 'an assessment of the likely social impacts of the development'. We argue that the social impacts have not been rigorously assessed and the perceived social impacts are not explored or illustrated in the detail required as part of typical and adequate SIA practice. The SIA is inconsistent with Secretary's Requirements given that there is:

- No rating or assessment of the social impacts according to a defined assessment matrix (indeed, the SIA contains no actual assessment of impacts, just reference to potential impacts).
- A refutation and consistent undermining of perceived impacts through lack social research and analysis (very limited quantitative and hardly any qualitative data and analysis provided, few stakeholder quotations, and no supporting literature or research). This undermines the perspectives of local stakeholders about felt experience and perceptions of the future, and relegates their experiences and anticipated impacts to emotional, psychological states. The SIA does not adequately address or assess perceived impacts.
- A consistent focus on the regional benefits without adequate reflection on the local impacts. The local impacts identified in the SIA are significant; the SIA states that, the combination of the existing low amenity (which can be argued is a result of depopulation due to mining activity in the area), potential loss of the school and store, community ageing and isolation, will see the collapse of the social fabric of the community and the cessation of Wollar as a village (72, 95). The substantial impact that the extension will have on the village is not adequately dealt with and the proposed mitigation strategies are inadequate.
- No feedback from stakeholder engagement in any detail in the assessment and no analysis of these issues, nor rating of the social impacts. Stakeholders were not engaged to provide feedback on the identified issues nor on the proposed mitigation measures, other than through responses to the public exhibition of the assessment report.
- Methodological inconsistencies due to the timing of the research for the SIA and apparent bias in the quantitative survey that potentially skews the baseline study (see below).

## 2. Project Context

### 2.1 Wilpinjong Coal Mine

- There are a high number of complaints for the existing operations, particularly regarding noise. This significant existing impact needs further recognition and analysis using experiential stakeholder evidence.
- The outline of the Wilpinjong Extension Project should be supported by more maps and visual material to better illustrate the topographical changes that will result from the proposed extension and the way this modification builds or expands on previous modifications. This is the seventh modification submitted and the various modifications have significantly changed the project from what the local context area first was presented with. The modification history is important for understanding the impacts WCM has had on the local community and the perceived impacts the proposed extension will have.
- The employment forecast is not consistent with the Economic Assessment (EA). In the SIA, the peak employment periods will see a workforce of 650 (2017) and 663 (2024). In contrast, the EA estimates the peak workforces to be 624 (operational: 549 + construction: 75) in 2017, and 653 (operational: 623 + construction: 30) in 2024. Where do the additional people accounted for in the SIA come from?
- It should be noted that the expected decline in job numbers at WCM forms part of the workforce modelling of the existing project. The no-development scenario that is implied should be seen in relation to existing workforce projections and plans for the area.

### 2.2 Local project context

- The role of the existing mining operation needs to be better acknowledged in the assessment of impact of the proposed expansion. The impact that the proposed expansion will have on the local project area and its detrimental effects on the viability of the village and the township of Wollar is a result of the significant

process of depopulation that has followed from the social and environmental impacts of current mining operations and the purchasing of properties in relation to the establishment of WCM. The SIA implies that the depopulation reflects a natural cycle of rural communities and that it is an immanent development (e.g. it is 'natural' or beyond their control). We would challenge this assertion and request that the issue of depopulation and resurgence of the village is analysed with much greater rigour and with reference to existing scholarship and benchmarks.

- Wollar demonstrates long term residency and this should be recognised as an important indicator of community resilience and cohesion.

### **3. Framework for the Social Impact Assessment**

#### **3.1 Assessment Requirements**

- The Mid-Western Regional Council's (MWRC) submission to the DP&E SEARs states that the WCM have had significant impact on the village of Wollar. The MWRC makes particular note of the issue of depopulation and cumulative impacts on the remaining sensitive receptors. It requests that these impacts are adequately addressed with the purpose of protecting the amenity of residents in the locality. As evidenced through this submission, the SIA does **not** adequately assess social impact and cumulative impacts of loss of population (from Ulan, Moolarben, Bylong and Wilpinjong) and, subsequently, fails to address the requirement of the MWRC.

#### **3.2 Stakeholder engagement and consultation**

- The SIA engagement process made a clear distinction between the proposed Project and the existing WCM. This is, in our opinion, problematic as the baseline of the study is not neutral. It is widely acknowledged that, often, the greatest social impact of a project rests within the stress that results from uncertainty associated with it. Considering the number of modifications and the significant stress that the local population have been placed under in the process, it is problematic to distinguish the proposed project from the existing operation. The anticipated impact that the proposed expansion will have on Wollar cannot be seen in separation from what has happened in the 10 years since Wilpinjong opened. The severity of the impact—that is, the village ceasing to function—is a result of what has happened in the area during the existence of WCM and the impact of the proposed extension cannot be properly assessed without understanding the current experience of co-existence.
- Table 3-1 and 3-2 lists inputs from Wollar stakeholders in relation to WCM operations and PEA land acquisition, and project potential inputs and opportunities. These are simply listed and no proper assessment of these, nor prioritisation or ranking, is conducted.
- Table 3-3 lists the community survey responses. The survey responses show the dichotomy between local impact and regional benefit, and clearly illustrate the polarity that separates the responses. The responses are, however, not assessed, nor are they ranked or prioritised. Details related to longevity and criticality are completely lost in the SIA.
- Table 3-4 summarises the responses to the employee survey. The survey responses illustrate how benefits from employees are channelled to the regional project area, rather than the local (only 3% live in Wollar), and Mudgee is the area that receives the majority of the workforce weekly spending. The very few who live in Wollar are not local residents and do not form part of the social fabric of the community.
- Table 3-5 summarises the responses of the social infrastructure providers, and 3-6 lists the key findings from the survey with the MWRC. In the responses, there are important details that point to the impact that the project might have on the local and regional community. This includes the potential loss of the local school and health service, as well as increased concern regarding the management of local bushfire and access to services. The negative spiral of increased risk and vulnerability will increase if the school and health service are lost, and will increase the cost of living of those who remain in the local area, and it will place pressure on resources from the regional centre. These impacts are not adequately assessed in the SIA.

### 3.3 Planning context

- The impact identified in the SIA goes against the priorities within the Central West Regional Action Plan (CWRAP), the Strategic Regional Land Use Plan (SRLUP), and the Mid-Western Region Community Plan *Toward 2030*.
- CWRAP emphasises the provision of integrated and coordinated health and human services, and improved community safety. As there is no adequate assessment of the social impacts, it is not possible to make an informed analysis of how the proposed project is aligned with the CWRAP. On the basis of the information provided in the SIA it can, however, be argued that the detrimental effects the project will have on the local area and the subsequent loss of social cohesion and support and increased vulnerability and risk go against the priorities of the plan.
- SRLUP emphasises the preservation of key regional values. These values are not outlined and it is, subsequently, not possible to assess how the proposed extension and its identified impacts and benefits are aligned with the plan.
- *Toward 2030* emphasises looking after our community; protecting our natural environment; building a strong local economy; connecting our region; good governance. The SIA indicate that the proposed project will both contribute to but also work against the regional plan. As with the other plans, the SIA simply lists the key themes and priorities and does not provide an analysis or assessment of how the proposed expansion will contribute to or impact on successful achievement of priorities.

### 3.4 Methodology

- The survey questionnaires and the interview schedules should be included as appendices, as this is typical and expected social research and SIA practice. There also needs to be more detail provided on the set up and sampling undertaken for the survey. It is currently impossible to understand what questions were included in the survey, the sampling method employed to recruit respondents, and whether employees were asked about the proposed project or just about current operations.
- Having obtained a copy of the community survey during the process of data collection, we have concerns about the questionnaire and the survey design. The survey appears to be designed in a manner that benefits the proponent: it is, essentially, a social baseline study and **not** a social impact assessment. The social baseline study should be the starting point for the SIA and from here it should be assessed how the mine expansion will impact or benefit local and regional contexts. The mine is not mentioned until question 8, and there are only two questions (Q8 and Q9) that ask about the Extension Project. These questions are both open ended, meaning that the results cannot be quantified and there is no ranking or prioritisation of social impacts gathered from the people affected (positively and negatively) by the proposed expansion. The questionnaire does not gather information about the impact of the mine and is, accordingly, not a proper social impact assessment.
- More information is required in relation to the stakeholder engagement program and the timing of the survey and interviews. It is unclear what the interview and survey participants knew about the likely environmental impacts (e.g. noise, traffic, dust) at the time of the data collection. Environmental and social impacts do not exist in isolation but form a symbiotic relationship. Without sufficient information, the data collected will not be a clear reflection of the impacts that are anticipated by the affected publics. This is particularly the case in the local context, which, as it is stated in the SIA (82), is most exposed to significant adverse impacts.
- More information is required about sampling. There are particular references to ‘former residents of Wollar’ but no information is provided with regards to who these individuals are and why they have moved. Considering the role that the mining activity surrounding the village has played in the depopulation of the area, it is important to know if this group of participants have been bought out by the mine or left on their own accord. Considering the apparent positive relationship these individuals have to the proponent, further information of this group could also support the development of adequate mitigation and management procedures.
- There is limited no information about how the research team identified perceived versus technical impacts, nor how these have been distinguished analytically.
- There is no information about how the primary data were analysed.

#### 4. Social baseline

- There is an insufficient consideration and presentation of visual impacts. Whilst there are some photos included in the description of the local project context, it is important to include more visual to better show the social context of the project.
- WCM's contribution to social conditions in the study areas described as part of the social baseline, including the benefit provide through PEA's property acquisition. The baseline does, however, not discuss how the acquisition of property has led to loss of social cohesion and increased social vulnerability. Nor does it question the motivations for people who decided to sell their properties and move.
- Considering that the social baseline includes consideration of the contribution to social conditions it is considered inappropriate that the negative impacts on local community as a consequence of WCM's operation and presence is not considered. For example, the purchase of the shop has had significant impacts on local residents, both in terms of increased financial costs due to the loss of their local mechanic and access to farming supplies (which must now be sourced from Mudgee or other regional centres). The changing ownership has meant that the local residents can no longer purchase the same range of products as previously and that the cost of produce has increased. The vet service and fuel deliveries to outlying properties have become unviable, and the former 'piggy-backing' on farm services have ceased.
- The social baseline suggests that local residents are experiencing declining health as a consequence of WCM operations (sleep disturbance, fatigue, stress-related headaches, anxiety, and high blood pressure). It also points to a reduced quality of life. A health impact assessment is required.
- When discussing the Regional community values, it should be noted that the local project area (Wollar) is an important part of this. The separating of Wollar from the regional community values is problematic and a better integration and analysis of how the project's local impact is related to the regional community values is important. Whilst the project clearly illustrates the dichotomy between regional benefits and local impact, it should be acknowledged that the local impact sits within the context of the region and should, thus, also be assessed within this context.

#### 5. Impact assessment

- The entire impact analysis section lacks evidence of social research and is devoid of actual, structured assessment of impacts, a requirement not only of the Secretary (NSW Department of Planning and Environment) but also typical of common SIA practice for major projects. There is neither in-depth thematic quantitative analysis of identified social impacts nor qualitative analysis (with a lack of stakeholder quotations to illustrate research findings). In addition, it is impossible to decipher the meaning of some of the impact/opportunity themes in table 5-4. Is, for example, 'population change, locally and regionally' a positive or negative impact? 'property purchases preceding or coinciding with the project' – is this positive or negative? What would the process around this be; when might it happen? who will be impacted? Etc.
- There is no sense of overall assessment of impacts and opportunities – how many stakeholders identified positive versus negative impacts? Where do these stakeholders reside? How are these weighted against one another? What are the experiential accounts of these impacts and opportunities?
- There are no ratings of impacts and opportunities – this is considered very typical of any impact assessment. There are many available and widely used standard rating scales used in SIA practice (see QLD Government SIA Guidelines 2013). At no point is an assessment matrix provided to assess the relative extent of each impact or opportunity. In addition, stakeholders were not provided with the opportunity to comment and provide feedback on the impact/opportunity ratings.
- The consideration of specific impacts lacks social research, analysis or impact assessment – i.e. there is no quantitative or qualitative data or analysis provided, there are no stakeholder quotations, and there is no supporting literature or research.
- The impact assessment exhibits hardly any analysis and is predominantly descriptive. The impact on the local project context (Wollar) is significant. It is obvious from the description that the proposed expansion is already having a significant effect on the local community, with PEA offering residents to sell their properties (70). A shortcoming of the SIA is the failure to adequately assess how the current marginalisation of Wollar is jeopardising the community.

- The impact assessment is reporting more on the current impact than the perceived impact of the expansion. As mentioned above, we strongly believe that assessment of the projected impacts must be based on an understanding of current and long-term impacts. In the impact assessment these must, however, be clearly distinguished. The SIA fails to adequately identify, measure and assess the social impacts as they relate to amenity (in particular noise and dust), social sustainability, quality of life, wellbeing and sense of place.
- The extended timeframe will present an opportunity to develop a transition strategy towards the closure of WCM. This is not an argument for the proposal to be approved as transition and closure plans should already be in place.
- The assessment of cumulative impacts is inadequate and does not go into any detail that can inform the assessment of the synergy of impacts from long-term and multiple mining activities.

## **6. Impact management and mitigation**

- The proposed management strategies amount to a total of 7 pages (including summary table) of the SIA report. Considering the existing impacts experienced by the community and the severity of the negative impacts identified in the SIA, the extent of management strategies proposed seems grossly inadequate.
- Considering the high rates of current complaints regarding the WCM operation and the lack of stakeholder trust in the operation, an ‘ongoing’ and ‘business as usual’ approach to impact management will be ineffective.
- The strategy for valuing properties is deemed appropriate however the mitigation strategy does not deal with who might be bought out and what will happen to those who are not bought out. Moreover, the mitigation strategy assumes that residents will leave. The indirect coercion to relocate (resulting from the proximity to the mine boundary and/or the community becoming unviable) can cause significant trauma and stress on individuals and their families. This is not acknowledged in the impact assessment nor in the management and mitigation strategies.
- Community and stakeholder engagement is proposed as a mitigation and enhancement strategy. Whilst it is important with transparent and clear communication, ongoing consultation and information does not mitigate the impacts that are affecting people’s lives. It is an inadequate strategy to deal with the increased risks and vulnerability resulting from social isolation and loss of services.
- The management and mitigation strategies for the local project context focuses on the village of Wollar. There is not adequate attention paid to those who will be significantly impacted by the decline or potential loss of the village, and who live on the outskirts of the local project area.

## **7. Conclusion**

What is evident from the published Social Impact Assessment is that the social impacts from the proposed project at local level would significantly outweigh the socio-economic opportunities if the projects were to proceed. The proposed project represents a direct and real threat to the future of the village of Wollar and the surrounding local community. The SIA treats the local project context as separate to the regional context. These contexts are, however, intertwined and the project’s negative impacts on Wollar will trigger regional impacts, which are not assessed in the SIA. The proposed management and mitigation strategies are ineffective and seem grossly inadequate.

The proposed expansion of Wilpinjong Coal Mine presents a particular predicament that must be considered, namely that once local cultural life is affected, it is affected for good. With the breakdown of the social structure in the local area, those who remain are becoming increasingly marginalised, isolated and vulnerable. It is important to prevent the majority of impacts before these happen. Wollar is a small community that is quickly shrinking. The SIA claims that the community is going through a natural process of decline and that it is likely that ‘Wollar [will] cease to function as a village at some point’ (95). This statement is, however, not substantiated with proof and it does not acknowledge the small number of individuals who are not willing to, and in some instance not able to, leave. People in the surrounding are left with stranded assets and have no option but to live with the social and environmental impacts of the project. These individuals who sit on the margins of the community has not been incorporated into the assessment, yet they are one of the key groups that will be affected by the proposed project.