



14th October 2016

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Rocky Hill Coal Project - Amended Development Application No : SSD 5156

Attention : Director - Resource Assessments

Advance Gloucester Inc. wishes to register its support for the Gloucester Resources Limited (GRL) Rocky Hill Coal Project currently on exhibition.

Background of Advance Gloucester

Advance Gloucester initially formed out of the frustration of having our community largely portrayed in a negative way by opponents of extractive industries. We acknowledge that extractive industries are not for everyone and do present challenges to any community or landscape that they are proposing to enter into, which unquestionably need to be carefully considered during determination and stringently managed if approved.

Our members come from a healthy mix of relatively short regional tenures through to commercial and social investment spanning decades and in the majority of cases, multiple generations.

The four mainstays of Advance Gloucester are agriculture, resources, industry and commerce with members comprising commercial interests in dairy, beef, mining, engineering, real estate, hospitality, tourism, mainstream businesses, livestock and bulk transport as well as pure residential.

Some members have also had prior experience on former Gloucester Councils as councillors, Mayor and Deputy Mayor. Advance Gloucester has adopted a regional approach that is not restricted to either the Gloucester township or that of the former Gloucester LGA model.

In all cases, our members are 'hardwired' into our community and have a genuine, authentic interest in seeing that our region has the basic right to explore all options that may present from time to time without exclusion. Mining and as such, GRL's Rocky Hill proposal is yet another 'option' that Advance Gloucester members expect to be able to explore without exception.

We feel it is unfortunate and has been damaging to the Gloucester region, for it to have been used as a pawn in the global anti-resources / anti fossil fuels debate. As such, we expect GRL's proposal will be determined purely on its merits, with external factors as above, being taken into consideration.

Advance Gloucester is respectful of the valuable contribution that tourism plays within the local economy and that the Greater Gloucester region has as much to offer people that come here as it has to gain. That said, it is the observation and experience of our members that tourism will not

sustain this region to the significant degree required, if further industry is not allowed to be entertained. The greater Gloucester region requires a 365 day economy to sustain itself, one that doesn't principally rely on favourable weather, a comfortable climate, holiday periods and weekends to flourish.

Advance Gloucester has endeavoured to avail itself of every opportunity to become informed of the Rocky Hill proposal, having invited GRL to present to our meetings on two occasions – the first when it was rumoured that GRL were revisiting their project after being 'on-hold' for some time and again during the current exhibition period, where a full presentation of the lodged proposal was provided.

Many of our members have also visited GRL's shop front in town as well as undertaking site tours, which aided immeasurably in 'ground-truthing' what the proposal involves. Most importantly, these opportunities clearly identified and demonstrated a definitive variation from the emotive and potentially misleading information and claims of groups opposing this development – regardless of merit or otherwise.

Economic Benefits

Our members have observed, experienced and appreciate the valuable level of economic and social contribution that the mining sector has brought to our region over the last 25 years. A new and additional industry at the time, mining has played a pivotal role in helping sustain our region in the midst of the almost total departure of the timber industry as well as a significant decline in dairy; the region's main economic driver at that point; over the corresponding timeframe.

Given mining in the region has existed for nearly 25 years, essentially a whole local generation has now evolved with no other recollection of the dynamics of their home town prior, other than taking for granted the contribution that mining activity has brought to the local economy. This 'complacency' is currently now being challenged by the retraction of YanCoal operations, with many more families and businesses being directly affected for the first time by the downscaling.

While a resident workforce is clearly desirable, the economic contribution of 'Drive In - Drive Out' (DIDO) workers cannot be ignored. As an illustration, two local businesses that supply bakery and newsagent services respectively, both said their turnover dropped by \$20,000 per annum a few years ago when YanCoal first started retracting operations at their Stratford operations – majorly effecting early morning trade at change of shift. These figures would not only be reflective of east bound commuters, with similar losses being experienced in the Stroud area on the southern commuting route. By default of the geographic location of the majority of suppliers to the mining industry, the southern route is substantially more patronised.

A target of 75% local resident employees is quoted. Greater than this should easily be achieved, if southern postcodes 2415 and 2425 are considered, as these areas have historically contributed substantial numbers of employees to existing pits in the Gloucester basin, both directly and indirectly as contractors.

Advance Gloucester has and will continue to work with resource companies in the region, to unlock additional benefits aside from their core business – essentially utilising resource companies as resources for both community and social benefit. This is evidenced by Advance Gloucester taking a pivotal role in championing the engagement of an independent strategic development position via AGL, as well as encouraging and having substantial input into the development of AGL's Independent Legacy Fund – which as we suggested, should be focussed on educational and employment outcomes.

Visual Impacts

The current proposal is a vast improvement from that previously lodged, given the departure of a dedicated overland coal conveyer, rail loop as well as coal processing and loadout infrastructure, in preference for a joint commercial arrangement with YanCoal to utilise facilities at their Stratford operations.

The addition of an internal 'line-haul' road between the two sites to facilitate raw coal transport is considered a prudent cooperation opportunity that is duplicated at many neighbouring mines sites around the country. As proposed in this case, it is not considered to evoke any considerable or prohibitive impacts either via the route indicated across relatively marginal farmland, or during operation.

Despite short term construction and early pit preparation development, Advance Gloucester contends that visual impacts, while understandable subjective in their interpretation, will be greatly subverted by the establishment and management of artificial visual amenity landforms, that are to be sympathetically vegetated in keeping with the surrounding landscape.

The 'no final-void' concept proposed post mining, is innovative and also reflective of the level of community expectation of new proposals, especially in more conspicuous locations. This concept also returns disturbed lands back to prior land use post mining, again subverting permanent landscape disfigurement. Advance Gloucester notes surprisingly successful results which have already been achieved on land already rehabilitated by YanCoal owned leases. The relatively high coastal rainfall and high humidity in this region greatly assists the effectiveness and timeliness of restored landform vegetation and pastures when compared to mining operations in inland regions.

Additionally, the continuation of the 'Speldon' dairy operation will also serve to maintain the scenic vista of the Avon Valley to the east of the Bucketts Way which will greatly complement the visual amenity landforms once established.

Advance Gloucester acknowledges and supports the contribution that tourism plays in the local mixed economy, but seriously questions claims by the local tourism industry, that it will be substantially effected to any great extent if the proposal is approved. While a 2014 tourism figure of \$51 million is regularly quoted, it is unclear whether or not increased occupancy rates, food and leisure spend experienced during that period specifically as a result of intense resource exploration in the region, was excluded from that figure.

Biodiversity v's Land Use – improving overall outcomes

Advance Gloucester is passionate about ensuring that any resource proposals acknowledge and respect the existing economic mix of activity of the communities that they are entering into. Clearly, it is not only undesirable to dramatically effect existing industries, but also the established services that support them.

As such, we commend GRL's interest in maintaining existing dairy operations as currently undertaken on the "Speldon" property. Productive co-existence of mining projects alongside agricultural pursuits is readily achievable, as has been clearly demonstrated in other regions.

However, to give this intention more security, we would implore as a condition of consent, that a policy of 'no nett loss of agricultural production' be adopted. This would ensure that no loss of current output and hence, no loss of current dairy industry economic contribution is lost from the region.

With most currently approved projects, pre-existing industry dynamics become considerably compromised by almost obsessive requirements on behalf of consent authorities, to commit proponents to tying up vast tracts of land for bio-diversity offset requirements.

We contend that although areas under proponent ownership should be committed to vegetation / wildlife corridors etc, far more flexibility should be built in via whole of property integrated management, to ensure that properties can be far more effectively managed and maintained.

Unfortunately, there are classic local examples where resources companies have had to commit areas for biodiversity offsets, only to become unmanageable for example, due to basic requirement to exclude livestock. Proactively managing periodic stock access to these areas in a controlled manner would have numerous benefits including bushfire management as well as significant weed suppression, while contributing more effectively to the pre-existing industry dynamic.

An additional mechanism to encompass this outcome would be to require the proponent to establish a pastoral entity in their own right. This would ensure that there is guaranteed commitment and enough flexibility built in, to proactively manage their landholdings, as the usual practice of leasing out parcels of land to numerous entities rarely achieves the positive outcomes that the community is rightfully expecting of.

Noise, Blasting and Dust

Along with visual amenity, these issues will no doubt attract most concern. However, we feel that with diligent adherence to industry best practice on behalf of the proponent accompanied by stringent monitoring and oversight by relevant compliance agencies, the project will be able to operate within acceptable limits set and expected by Government.

Clearly, the proposal will introduce new sources of background noise and dust, which will be unacceptable to some and acceptable to others – regardless of levels being required to be within limits at all times.

We acknowledge that the design of the project is such to minimise collateral impacts, via restrictions to hours of various operations, bunding design and plant and infrastructure locations during various phases of mine production.

Blasting will require particular attention to ensure that they are efficient and effective to reduce any likelihood of flume and dust migration off site.

Water

Water, both surface & sub-surface is of great importance to the area & needs to be properly respected and managed.

The proposed use of desalination to treat captured and intercepted water is seen as a prudent and simple means of managing a potentially socially and environmentally sensitive issue. This process will inevitably open up further opportunity for other agricultural pursuits and / or supplementing the establishment of rehabilitated areas and visual amenity landforms.

While it is understood that the use of evaporative fans as a practical means of reducing volumes of treatable water is not being considered in this application, Advance Gloucester would like to see that any conditions of consent actually prohibited the consideration and use of this technology for the life of the project, given that their use at nearby mine sites actually introduces another totally avoidable noise source over and above that of essential mining operations.

As mentioned elsewhere, the 'no final-void' concept demonstrates a genuine commitment by the proponent to minimise visual impacts of the operation both during and post mining as well as returning disturbed land back to land use consistent with that currently.

However, as with open voids, the quality of overflow or in this case leachate, once the 'aggregate-filled' void reaches saturation point years after completion, will need to be extremely well understood during the determination process.

Community Contributions

Advance Gloucester is adamant that any financial contributions forthcoming as a result of this proposal, be dealt with and administered via a mechanism completely independent of Council.

The reasons for this are articulated in the accompanying submission to Division of Resources and Energy, dated 30th July 2015, providing comment on the NSW Government's proposed Gas Community Benefits Fund at that time.

Although the content no longer applies to this region given AGL's decision to abandon their GSC project in February this year, the concept is more relevant than ever given the recent amalgamation of Gloucester, Great Lakes and Taree, which will have the obvious effect of diluting local representation, knowledge and input, while increasing further opportunity for the community to question perceived transparency and rationale issues.

355 Committees, while an option, do tend to operate in 'isolation' from the community, rather than endeavouring to be inclusive of the community, again exacerbated by a larger LGA area which is now the case.

Conclusion

Advance Gloucester trusts that a genuinely balanced assessment is carried out on GRL's Rocky Hill Proposal. This proposal and other resource proposals within the region before it, have we feel, been unfairly and unjustly portrayed by oppositional efforts, primarily designed to conquer the community through submitting to their particular point of view. This has been exacerbated by a heavy reliance on assistance from outside our region, which has unfortunately soured social tensions even further.

Above all, we request that a thorough and timely assessment be undertaken in an effort to release our community from the anxiety of a final determination – regardless of the outcome – as the Rocky Hill proposal has now unofficially been on the radar for nearly a decade.

Advance Gloucester appreciates the opportunity to provide comment on the above project.

Kind Regards,

Rod Williams – Deputy Chair



30th July 2015

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Re : Discussion Paper - Establishing a Gas Community Benefits Fund

Advance Gloucester Inc. members have proactively engaged in gaining first-hand knowledge and information relating to local gas resources over a period of 23 years since first preliminary exploration was undertaken.

Given the embryonic history of CSG development in the region, which to date, has yielded relatively little benefit, we are clearly keen to help exploit any economic & community benefit that may be able to be realised in the future.

Many of our members have had considerable involvement with a diversity of funding programs from many sources, both as recipients and also involvement on various project application assessment panels.

As a result, we believe that of all the options offered in the Discussion Paper, a 'hybrid' Local Committee administered Fund would serve the region best whilst fostering a higher level of community ownership through increased levels of involvement and transparency.

Firstly, it needs to be acknowledged that this submission does not wish to comment on current CSG proponent volunteered and administered funding programs, which in the main, remain effective, efficient and timely with regard to the localised level of application they are intended to target.

Conversely; by way of illustration; funding that currently becomes available to Local Councils from existing coal mining companies via conditions of consent etc, has demonstrated potential to ineffectively engage with the community that that project actually impacts.

This unfortunately results in a process that while it may be accountable in a 'fiscal' sense, can appear less than transparent in a 'process' sense from a community perspective. This also serves to detract somewhat from the whole intent of the program and further isolates opportunity for the wider community to have meaningful input by being valued and consulted.

It also needs to be pointed out that, despite the discussion paper stating that participation in any proposed Gas Community Benefit Fund (GCBF) would be totally voluntary on behalf of the proponent, there is no indication of the financial scale of any proposed funding that may be forthcoming to gas communities as a result of DRE's proposed funding structures.

Given the vagaries of the above, we suggest that any proposed structure of a GCBF associated with the AGL's Gloucester Gas Project :-

- 1. be based on a 'Basin Wide' approach**
- 2. seek to formally represent and engage with wider key community stakeholders**
- 3. secure 100% of funds available for distribution via assessment of applications**
- 4. aim to encourage and acknowledge the involvement of the community, the proponent and all levels of Government,**
- 5. encourage 'big picture' thinking to achieve substantial 'iconic' or 'legacy' outcomes**

1. 'Basin Wide' approach

As the Gloucester Gas Project will potentially span two Local Government Areas (LGA's), it is felt that a single funding structure would :-

- be most efficient in administering and determining funding outcomes – reducing duplication associated with servicing individual LGA scenarios,
- eliminate perceived 'ownership' of available funds by individual LGA's and perceptions of council v's community aspirations when assessing applications
- substantially increase transparency by formally involving stakeholders across the entire basin.

2. Represent & engage with key community stakeholders

Of absolute paramount importance, is the necessity to involve / engage with key stakeholders in assessing funding applications. The Gloucester / Stroud community has quite legitimately questioned various funding decisions in the past which have in the main, been administered by individual LGA's – either wholly internally within Council or with token community representation on 355 committees. Neither instil a high level of confidence or transparency within the community, regardless of basis or otherwise.

As such, we propose that a committee (numbers to be determined), roughly bounded from Gloucester in the north to Stroud in the south be convened with the following suggested representation :-

- Independently Appointed Chair
- 2 x LGA representatives (1 x Gloucester Shire Council, 1 x Great Lakes Council)

With the remainder comprised of a mix of demonstrated linkages to :-

- Commercial Business
- Commercial Farming
- Community
- Education
- Environmental
- Indigenous
- Social support service
- Sporting
- Tourism

NOTES – All positions would be advertised and be purely voluntary with the formed committee setting & agreeing to assessment guidelines and funding cycles etc. The proponent, while present in an administrative capacity, is to have no representation on the committee. Following assessment of any applications,

recommendations of the committee would be final and would provide direction for disbursement of the funds available. The committee should meet at least quarterly in the interim, then six monthly with any vacancies readvertised. Funding should be offered annually, potentially commensurate with production.

3. Secure 100% of funds available for distribution

To maximise funds available, efficient administration that minimises any form of duplication to the wider community, including LGA's is key.

As such, we propose that the Proponent be wholly responsible for providing administrative / coordination services in collaboration with the relevant State Government Department and the appointed Chair.

Clearly, transparency and accountability are paramount. This could readily be achieved with any royalties due from the GCBF, being allocated as per recommendations from applications assessed by the committee either direct from Government or from a specific GCBF quarantine account held by the proponent which is fully audited.

4. Encourage and acknowledge the involvement of the community, the proponent and all levels of Government

Some of the main benefits of the proposed structure are to; as best as possible;

- Acknowledge the origin of the GCBF by involving the proponent in its administration
- eliminate perceived ownership / entitlements associated with LGA based models,
- nurture wider community involvement and understanding while increasing levels of confidence and transparency in all steps of the process
- help build community pride and empowerment through 'combined' achievement

5. Encourage 'big picture' thinking to achieve substantially beneficial 'iconic' or 'legacy' outcomes

It would be hoped that the proposed funding gained through the GCBF would be utilised to gain wider & more strategic benefits over and above that available through current voluntary funding, and should :-

- acknowledge and accept that any gas project will be somewhat of an imposition to the region in which it operates
- given the above, create opportunity designed to capitalise on their very existence by providing positive and lasting outcomes.
- encourage partnerships with other entities / industries to 'leverage' available funding against other sources
- be prioritised to help encourage investment / employment opportunities to the region through encouraging initiatives involving education and training, potentially targeted at youth who have schooled locally within the Public & Non-Public School sectors, which in combination feed both Dungog and Gloucester High Schools.
- be structured in such a way that longer term major projects can be considered via suitable applicants / partnerships ie:- Local Government, Water Utilities, Business entities etc. This capability would need to be captured so that substantial project applications could be entertained and approved if felt appropriate by the committee.

These may include – upgrading the Bucketts Way, town water to Stratford, town sewerage to Stroud Road, development of Stratford Heavy Industrial Area, proposals associated with export powdered milk processing or adventure tourism development of the Barrington Tops National Park.

Advance Gloucester Inc. would be very much interested in any further discussions involving any of the above, as we believe there to be substantial scope for long lasting regional benefit from any proposed GCBF.

Nonetheless, we also believe that a committed effort needs to be made to engage & utilise the very community that AGL's Gloucester Gas Project will ultimately impact.

Yours Sincerely,

Rod Williams – Deputy Chair

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