

20 Social

20.1 Project changes and assessment

None of the Project changes affect the predicted social impacts as presented in the EA (Chapter 19 and Appendix Q).

20.2 Response to submissions

20.2.1 Positive effects on local economy and community

Submissions

G26, C-1

Issues

Various submissions note that the mining industry has made substantial contributions to NSW and the Orana region, and that the Project has the potential to provide more local jobs and greater opportunities for school leavers, thus stimulating population growth.

Responses

The above submissions are noted and, as stated in the EA, CHC is committed to using local industries and suppliers where cost-effective and recruitment strategies that foster a local labour force.

20.2.2 Overestimate of local employment and capacity of local workforce

Submissions

NA-13, C-1, C-4, G-2, G-10, I-28, I-135, I-181

Issues

Some submissions question the evidence base for the workforce recruitment estimates, both the proportion of in-migrants (only 50% during operations) and the residential distribution of the workforce. One submission notes these are 'not based on any factual evidence', specifically consideration of competition from other industries, and that the Project is likely to take skilled workers from these. The MWRC notes that there is no spare labour capacity in its LGA and believes similar constraints apply in Dubbo LGA. Dubbo, Wellington and Warrumbungle councils all expressed a preference for local workforce recruitment from their areas.

A number of submissions question the Project's ability to recruit 50% of its operations workforce locally. It is noted the EA references a range of training initiatives to be implemented over the life of the mine, including apprenticeships, scholarships, and development of TAFE training. While the preferred option proposed is to promote employment of local residents via training programs, sensitivity assessment is sought to assess the implications of lower local recruitment rates, as well as further information on the consequences for the local labour and housing markets, and transport infrastructure, if only 20% of workforce needs can be filled locally.

Wellington Council considers that the EA does not give enough information about training proposals. It seeks more detail and certainty, including:

- full details of the training programs to be implemented;
- details of arrangements CHC has entered into with the different training institutions;
- details of the commitments and undertakings by the various service providers to deliver stated outcomes; and
- the number of apprenticeships, traineeships and scholarships committed to by CHC for 'say 24 years' and with which organisations.

Submissions comment that recruitment for the Project and other mine developments will poach workers from other industries, especially agriculture, and this will distort the local economy and that signs of excessive competition are already evident from the three large mines in the Ulan area.

Responses

The EA (Appendix T) acknowledges the mines in the Ulan area have increased competition for labour. Consequently, CHC has developed a comprehensive training program with the dual objectives of fostering greater local recruitment and reducing pressure on other sectors of the region's labour market. These objectives will be achieved by expanding the number of suitably skilled locally available workers through training.

In September 2012, CHC announced it would partner with TAFE Western and Skillset in delivering its program. TAFE Western will offer high-quality customised training, including a 10-week entry level mining training course, and heavy rigid vehicle instruction and machinery training. The courses will use the TAFE's state-of-the-art mining equipment training simulators, heavy vehicle driving simulator and confined space simulator.

In 2013, TAFE Western will have the capacity to train up to 294 people for CHC in facilities at Dubbo, Wellington, Mudgee and Dunedoo. The following number of training positions will be offered in each of town: Wellington 66, Dubbo 108, Mudgee 72, and Dunedoo 48.

Eight apprentices recruited from across the region have been employed as part of CHC's partnership with Skillset. They will be in any of the following areas: mechanical engineering, heavy vehicle maintenance and electrical training. The initial apprentices will attend the Mudgee TAFE Skills Centre for six months and then be placed with businesses in Mudgee and Dubbo until the mine is operational.

CHC is also working on or has been heavily involved in developing:

- a Scholarship and Graduate Training Program to help local high school students enter tertiary education in suitable courses, which will include a pathway into employment at the Project upon completion of these courses;
- a pilot training program directed at the future training of apprentices in the Central West region. The program will work with councils and peak industry groups to alleviate potential shortages of suitably trained apprentices. TAFE Western, State Training Services and local secondary schools that have access to trade training facilities on campus have been consulted; and

- better pathways to employment by participating in the Central West and Orana Education Skills and Industry forums. The forums were held in Orange and Dubbo in 2012 and were facilitated by Regional Development Australia.

CHC has had a particular focus on Indigenous groups and training providers throughout the region to develop a comprehensive Aboriginal employment and business strategy. This has included leading the development of the Central West Aboriginal Mining Steering Committee (CWAMSC) in partnership with Aboriginal Affairs NSW. The CWAMSC aims to develop, implement and monitor the Central West Aboriginal Mining Memorandum of Understanding negotiated by the key stakeholders — the mining companies, government agencies, service providers and, most importantly, the Aboriginal traditional owners, Land Councils and community. In partnership with TAFE Western, the CWAMSC will develop support mechanisms and strategies to assist Aboriginal participants to successfully complete a newly created mining module.

In November, CHC funded a visit to the Central West by leaders of the acclaimed ‘Pathways to the Pilbara’ program, which trains Aboriginal people for jobs in the mining industry across Australia. While CHC has had a good response from local Aboriginal people wanting to work at the Project, this program may offer another potential gateway into the mining industry for local Indigenous people. The visit gave local Aboriginal people an insight into mining industry opportunities.

CHC’s training and skills development program is based around the central tenet of proactively training as many local people as possible to be mine-ready for 2015. Expanding the capacity of the local workforce in this way will also increase the availability of skilled labour overall and thus reduce labour pressures on other industries.

The program was developed after extensively consulting local stakeholders and observing other mining projects across Australia. Local consultation included liaising with Dubbo, Wellington, Warrumbungle and Mid-Western Regional Councils, local industry, business groups and Aboriginal representatives.

Dubbo, Wellington and Warrumbungle Councils expressed a strong desire to share in the workforce requirements for the Project. The Mid-Western Regional Council explicitly stated the Project should not target its local population due to the stress on its labour market, housing stock, local services and infrastructure from other developments. In light of this, CHC designed its workforce training program to attract potential employees from the Dubbo, Wellington and Warrumbungle LGAs.

The potential to increase locally available labour is well illustrated by high Aboriginal unemployment rates. In Dubbo, Wellington and Warrumbungle LGAs these are respectively 22%, 24% and 29%, and higher than a NSW Aboriginal unemployment rate of 19% and a general Central West regional rate of 9%. There is no reason why Aboriginal unemployment should be any higher than the general regional rate, provided appropriate training and other support programs are in place. Achieving this target would provide many workers for the Project and enhance local employment. It is relevant to note the Australian mining industry is a significant employer of Indigenous Australians, with up to 22% of the workforce of some operations being Indigenous workers (MCA 2006). The industry has considerable experience in affirmative employment programs for Indigenous peoples, which have been formalised into various agreements, particularly the Memorandum of Understanding on Indigenous Employment made with the Commonwealth Government on 27 May 2012.

In summary, while there may be some movement of workers employed in other sectors, such as agriculture, to the mining industry, the effect of greater training will be to increase the number of people available locally who have the required skills. Movement of workers into mining will create further employment opportunities in their former industries, thus reducing overall unemployment and bringing the local levels closer to NSW averages. Some industries may not be able to accommodate this greater competition for labour and will then decline, but the overall effect will be to create more and better paid job opportunities that will be in the public interest.

20.2.3 Loss of agricultural output

Submissions

C-2, G-2, G-5, I-4

Issues

Submissions comment the purchase of 68 of 90 properties in the affected area will erode the local community and that the loss of farming community and broad-scale food production has not been adequately assessed.

Responses

As explained above, CHC's training program is designed to alleviate pressures in the local labour market, including on those employed in agriculture. The training program will also provide skills that will be applicable in the agriculture sector during mining and after closure.

Where properties have been purchased, formal agreements have been made with the landholders for them to remain and continue farming operations until an agreed date. Of the 32,538 ha CHC owns, 30,468 ha continues to be farmed via lease or licence arrangements (ie 93%). This will be reduced as the mine progresses so that a total of 2,683 ha of Rural Land Capability Class II–V (suitable for regular cultivation–grazing/occasional cultivation) will be directly disturbed. Progressive rehabilitation will return 2,812 ha of Class II–V land. More details on local agricultural impacts are given in Section 8.2.3.

20.2.4 Disruption of the local community

Submissions

G-10, I-102, I-111, I-135, I-181, I-187

Issues

Submissions comment on the effects of CHC's land acquisition program. Some submissions consider that more properties will need to be bought for Project to proceed, destroying communities, lifestyles, farm workforce and causing stress and mental health problems.

Comments are made about the effects of the Project on property values in the PAA.

Specifically, comments are made about the future of properties in Suzanne Road, Tallawang, acquired by CHC, as a number of the properties contain dwellings and the submissions want to know how they will be maintained. While the EA states that no towns are within the Project Application Area (PAA), Suzanne Road was a sub-division and a vibrant local community with plenty of “heart”. This community now no longer exists and some consider this a great loss.

Submissions comment the Project has already inflicted an “enormous” social impact on the Laheys Creek and surrounding areas. They believe the approach used by CHC to buy properties, will “destroy the local social fabric and pit neighbours against each other”. One submission notes that most workers would be long distance commuters and or live in workers’ camps. It is felt the “documented problems” of a mine this size show that the locals would have little experience dealing with the disruption of these workers. They would be forced out of the area by the social problems and the cost of living.

Another submission considers that if this mine should start it would be “massively destructive” to the local social fabric mainly because of the large number of new residents. A submission notes that Gulgong is an historic 19th century town with narrow one-way streets that is being stretched beyond its limits with 21st century mining traffic. The town is tourist-orientated and is considered to be in “great danger” of losing its character because of this.

Responses

As stated in the main EA (Section 21.5) and social impact assessment (Appendix S), the Project will directly affect some landowners who will relocate and this will disrupt the immediate community. There is also the stress on landowners caused by uncertainty. However, in a broader context the Project will provide employment for younger people, many of whom have or would relocate from the area to larger towns or cities. Thus, rather than causing community decline, the Project will allow the local community to grow and support a greater range of commercial and community facilities and activities.

CHC has implemented the following measures to help directly affected landowners:

- bought or otherwise compensated owners of all land directly affected by the mine infrastructure. This measure has been in place since 2009 and is designed to increase certainty;
- bought or otherwise compensated owners of land where modelling has predicted that impacts will exceed thresholds for noise and dust; and
- where properties have been bought, formal agreements have been made with landholders for them to remain and continue farming operations until an agreed date.

These measures have helped provide certainty for many landowners wishing to retire and relocate. CHC has maintained a commitment to assist landowners with any Project-related issues during the EA process and the life of the mine.

The objectives in providing the temporary construction workforce village are:

- attract in-migrant construction workers, thus reducing pressure on the local labour market during construction;
- minimise pressure on existing temporary accommodation and rental housing so they will continue to have capacity for tourists and other business travellers; and

- minimise the need for long distance commuting given that convenient and affordable accommodation will be available.

Shuttle buses will transport workers from the accommodation village to all worksites. Shuttle bus or coach transport will also be available for transport to and from the major regional airport (Dubbo) for construction workers at the beginning and end of the weekly or fortnightly shifts. These transport initiatives will greatly reduce construction traffic on the Golden Highway and other local roads, such as Spring Ridge Road. This will also minimise the potential residential amenity impacts of Project traffic in urban areas. The construction accommodation village will have on-site security. OHS policies will protect the amenity of neighbours. For example, there will be a zero blood alcohol policy and no alcohol consumption will be permitted. CHC tests workers for drugs and alcohol, and this will continue as standard practice throughout the Project.

20.2.5 Impact on Ballimore

Submission

C-1

Issues

Dubbo City Council comments the site of the proposed construction workers village is close to Ballimore and that the impacts on this village and the services it provides should be considered.

Response

Ballimore is about 25 km west of the accommodation village. According to 2011 census, it had a population of 188 people. Besides a public primary school (currently eight enrolments), there are limited services in the town. The availability of facilities and services is generally not a major consideration for temporary workers as most tend to be single or do not bring families to the region. However, considering the towns of Dunedoo, Gulgong are comparable in distance and offer a wider range of services, including hotels, impacts on Ballimore are likely to be minimal. The Project site and the accommodation village will have a zero blood alcohol policy and no alcohol consumption will be permitted. CHC tests workers for drugs and alcohol, and this will continue as standard practice throughout the Project.

20.2.6 Property devaluation

Submissions

G-10, I-9, I-63, I-102, I-187

Issues

One community respondent raises questions about what will happen to property values in the PAA for privately owned residences.

Submissions comment on property devaluation. They argue there is no competition to buy their land as CHC has acquired all neighbouring properties and potential buyers will be deterred because they will not want to live next to a coal mine. An example is a property where CHC has bought five of six neighbouring properties but advised the submission owners they will not be affected. These owners now believe their property has been devalued as a result, with no other party being interested in a purchase and potential buyers deterred by not wanting to live near a coal mine.

Other property value impacts raised are:

- higher property values for key properties required for the Project, leading to increased valuations by the Valuer-General and therefore increases in rates paid;
- lower valuations for some properties due to proximity to the mine, affecting local mortgage payments; and
- decreased valuation by banks has left some properties stranded, with the only prospective buyer being CHC, which has left the mine in a position to influence prices, with clear losses to local residents.

Responses

Land needed for or affected by the Project will be acquired by CHC. Other land near the Project but not adversely impacted is likely to experience some increase in value as a result of increased demand for property in the area brought about by the labour and population that will be attracted to the region.

Land that is directly required for the Project will be or has been bought by CHC and so any increase in rates will be paid for by CHC not the landholder.

Land adversely impacted by noise or dust will be bought by CHC at a fair market value reflecting its unencumbered value. The changing value of land has no impact on mortgage payments, which relate to the original amount borrowed from the bank.

20.2.7 Construction workforce recruitment

Submissions

C-1

Issues

Some submissions consider that both competition from new and expanding mines in the Mid-Western Region LGA and the larger labour pool available in Dubbo will mean a greater number of construction workers will come from Dubbo than forecast in the EA.

Responses

The Workforce Accommodation Strategy (EA, Appendix T) identified that Dubbo LGA had an unemployment rate of 4.3% (ABS 2010) and more recent data (Department of Education, Employment and Workplace Relations June 2012) shows the unemployment rate had increased to 4.8%. Both figures indicate Dubbo LGA is close to full employment and thus only a modest number will be available for work on the Project.

Competition from new and expanding (mining and non-mining) projects will place additional pressure on the region's labour market. Therefore, providing a construction accommodation village is considered to be an important factor in attracting construction workers, especially skilled workers who may have multiple job opportunities. Attracting in-migrant construction workers is the most effective way of reducing pressure on other local industries.

Impacts on services and facilities in Mudgee and Dunedoo are discussed in Section 20.2.9. It is also relevant to note that CHC will continue to work closely with councils, local businesses and service providers to plan for and manage the expected increase in population.

20.2.8 Residential distribution of operations workforce

Submissions

C-1, C-2, C-3, C-4

Issues

The four councils comment about the forecast distribution of the operations workforce and related implications. These comments are summarised as follows:

- Dubbo Council believes a higher proportion of workers will live in its LGA than forecast in the EA under both Scenario 1 (60%), and Scenario 2 (40%) (Main EA Section 21.2.1). It says this is because Dubbo is the main regional centre and contains many important facilities including those for training. Council seeks a revised estimate of the workforce distribution;
- Mid-Western Regional Council also believes it will accommodate more workers than forecast in the EA under both scenarios (10% and 30%). This because Mudgee is the second largest centre in the region, Gulgong is relatively close to the mine site and the LGA is closer to major labour markets in Newcastle and Sydney making weekly commuting more feasible;
- Warrumbungle Council questions the reliability of the workforce distribution estimates, including the proportion forecast for its LGA. The council notes the greater number of in-migrant workers that would be needed if CHC's local recruitment and training programs are unsuccessful. As a result the council seeks more information as to the consequences for labour supply, housing and transport systems if training does not occur as planned; and
- Wellington Council would welcome more workers and notes the possibility of substantially higher in-migration if training programs are unsuccessful. It seeks a number of specific details about the proposed programs and more investigation of workforce distribution including consideration of non-coal development proposals in addition to the coal proposals already accounted for in the EA.

Responses

It is considered that the two distribution scenarios given in the EA which provide for 20% variation between the two largest LGAs, cover the realistic range of possibilities based on current information. All relevant factors where reasonable data are available were taken into account in the forecasts.

It is important to note that forecasts of this type are complex and dependent on a wide range of variables that will change over the life of the Project. The key variables include the rate and timing of development of the Project and all the others that are scheduled to occur concurrently. In turn, these factors depend on world economic conditions, particularly the demand for energy and climate change policy over the coming quarter century. Various national economic and social factors, such as GDP growth and immigration rates, are also relevant. Locally, many other factors will have an influence, particularly the cost and availability of housing and other facilities, and any major improvements in regional transport infrastructure.

Given this complexity, it would be possible to produce a very wide range of workforce distribution estimates. But because of the trade-offs involved, it is very unlikely that consensus would be reached by all of the councils and other agencies involved. It would be much more effective to establish a population monitoring regime to record the information necessary for planning purposes from the Project and others that will be developed concurrently. This would provide reliable information and reduce the risks of costly errors in infrastructure and other public investments.

In response to Wellington Council's comments about projects considered in the cumulative assessment, the following approach was taken. Not all non-coal projects were listed in the EA, but the largest non-coal project closest to Wellington, the Dubbo Zirconia project, was included in the cumulative impacts. The greatest impacts of non-coal projects will be during the construction phase. The key finding of the Workforce Accommodation Study (EA, Appendix T) was that, without mitigation, there would be a high in-migrant workforce during Project construction, particularly to the Mid-Western Regional LGA. To address this pressure, the Project includes a 400 bed accommodation village to be built for the construction workforce and it will minimise labour force and housing pressures.

The availability of facilities and services is generally not a major consideration for temporary construction workers as most tend to be single or do not bring families to the region. However, considering the towns of Dunedoo, Gulgong are closer to the Project site than Wellington and offer a wider range of services, impacts on Wellington are likely to be minimal.

20.2.9 Inadequate community facilities and services

Submissions

NA-13, C-3, G-10, I-135, I-147

Issues

Submissions comment on perceived shortcomings in medical and health facilities both now and in the future. Some included general assertions that such impacts had not been adequately addressed in the EA. Specific comments related to health, rail and road upgrades, education and child-care services in Mudgee. One submission stated that child-care and medical services in Dunedoo are at capacity with the existing not-for-profit child-care centre currently being expanded. The EA states that Dunedoo has two doctors but they are not full time and the introduction of such a large workforce close to the town will only increase demands on what are already strained services.

Submissions also comment on whether the social assessment considered indirect and induced population growth, as distinct from only that directly associated with the Project. It was felt that total expected population growth should be considered.

The third is concerned about capacity in individual towns. In Mudgee a submission considers that health, education and child-care services are not coping with population growth. In Dunedoo another submission considers that necessary funds are being drawn away from community facilities to road and rail upgrades.

Responses

The EA and social impact assessment (Appendix S) acknowledge that some LGAs, particularly Mid-Western Region, are experiencing pressures on the capacity of social services, including health services. It is expected there will be some strains on health services in parts of the region during the early phases of the Project (to 2020), but that planned upgrades of facilities and population growth rates moderating beyond this should lessen pressures. It is relevant to note this assessment was conducted in consultation with health practitioners and agencies in the region.

The Project has been designed to minimise social impacts by both spreading the residential locations of workers across four LGAs and focusing population growth in areas to the west — Dubbo and Wellington — where population growth pressures are less.

The population forecasts used in the social assessment are based on the peak workforce numbers that will occur in 2027. The main EA (p. 468) also includes estimates of indirect employment growth and population forecasts for all LGAs that were referenced. Despite this, given the uncertainties involved in these forecasts, it will be important to monitor population changes both regionally and in each LGA regularly.

Impacts on services and facilities in Mudgee are considered in Section 20.2.9 of this report. In relation to Dunedoo, it is acknowledged services are limited and that the two doctors who work there are part-time. CHC will continue to work closely with local government, business organisations and service providers in the region to plan for and manage the expected increase in population.

20.2.10 Access to health services

Submission

C-1

Issue

Dubbo City Council comments on the ability of the health care system to service both the local population and temporary workers. The council requests that “written documentation be provided from the NSW Department of Health detailing that the temporary employees and transient labour is considered by the Department of Health in the provision of health facilities and services for Dubbo”.

Response

This documentation will need to be provided by NSW Health.

20.2.11 Housing supply and affordability

Submissions

NA-13, C-1, C-3, C-4, I-51, I-58, I-135

Issues

A number of submissions question the adequacy of housing supply and its affordability. One submission notes there has been massive disruption of the local rental and housing markets. Other submissions comment on the basis of future housing supply estimates given in the EA and that greater justification is needed for the approach. A number of other relevant considerations are mentioned, such as changes in housing costs and labour availability. A submission notes the implications for housing of fly-in/fly-out and drive-in/drive-out practices being adopted by workers were not considered.

Submissions also request more consideration of the implications and feasibility of increasing the supply of rental accommodation as a strategy for managing housing affordability.

Finally, a submission notes housing development strategies are to be prepared for in-migrant populations in Dubbo, Wellington and Warrumbungle LGAs but also notes these are not yet available. It considers they are essential and should be prepared in consultation with the affected councils.

Responses

The EA and the Workforce Accommodation Strategy (Appendix T) used the best available housing data and consultation with councils in estimating future housing supply.

In Dubbo, the Workforce Accommodation Strategy stated that recent annual residential development rates provide over 200 new residences each year. The gazettal of Dubbo's new LEP in 2011 will let this rate of development continue as it zones an additional 1,620 ha for residential use, which could supply almost 7,000 lots over the medium to long term.

The additional new housing supply will be enough for the in-migrating operations workforce. In the period to 2027, as the operations workforce builds to its peak, about 3,400 new residences should be constructed in Dubbo LGA. The maximum forecast demand for new residences in the LGA by 2027 is 177 or about 5% of the new residences forecast to be built. Recent discussions with council officers have indicated that housing availability has tightened. However, future residential development rates would need to drop dramatically for the future supply to not be enough for the Project's needs. In Mid-Western Region, under Scenario 2, which allocates a higher proportion of in-migrants to the LGA, an extra 89 workers and their dependants will move into the area, creating a need for about the same number of residences by the start of peak operations in 2027. The EA (Section 21.3.2) estimates that 736 new residences will be developed by 2027. Thus, forecast demand is 12% of anticipated supply and there would need to be a very considerable slowing in the rate of development for this to be problematic.

During the construction phase the principal demand will be for temporary accommodation. This will be satisfied by the new 400-bed construction village, meaning there should be no additional pressure on the region's temporary accommodation market.

CHC does not intend to buy housing for mine employees to use; however, it owns dwellings purchased as part of its land acquisition program. This accommodation may be used for short-term relocation of some employees.

CHC's housing strategy revolves around increasing the construction of housing stock in the near term so the housing supply is adequate. The objective is to avoid real estate price spikes in towns surrounding the Project. CHC has been meeting with the local Institute of Real Estate and developers in the Central West to inform them about the Project and provide certainty about timing. The consultations are to encourage developers to continue to invest and maintain production so that housing affordability will not hinder the Project.

CHC does not anticipate that a FIFO/DIDO workforce will eventuate during project operations for the following reasons:

- there is sufficient locally available labour with the training programs proposed;
- the region is an attractive residential location and it contains a wide range of services and facilities; and
- council strategies are promoting a growing local workforce by providing enough housing and community facilities for a larger population.

Therefore, it is unlikely that commuting workers will create a demand for temporary accommodation.

20.2.12 Privatisation

Submissions

NA-13

Issues

There have been media reports that the Project will be sold to a private entity and therefore not developed and operated by CHC. Various submissions comment on:

- the effect of privatisation on the distribution of benefits;
- that increased coal production would be needed to make the Project viable and, if this were to occur, some coal would then be hauled to Port Kembla thus affecting Mudgee;
- that the proposed construction village may not be developed; and
- that commitments given in the EA in relation to local employment and training may not be realised.

Dubbo Council notes the NSW government's intention to sell or lease the Project. It believes this will have two effects. First, delay the start of the Project, which will "compound inaccuracies in the population projections". And, second, create uncertainties about commitments CHC has made.

Response

Any approval of the Project will attach to the affected land. Therefore, a different developer or operator would have exactly the same obligations as CHC and would be obliged to adhere to all conditions of approval.

20.2.13 Questionable results of community consultation

Submissions

G-10

Issues

One submission suggests that the reported results of the community information sessions are misleading. It considers that only positive feedback has been reported in the EA, whereas many concerns were expressed at the Gulgong meeting. CHC's commitment to consultation is questioned because the company declined to attend public meetings in Mudgee. Submissions also comment that the broad local support for the Project is incorrect on the basis that "most" of the affected people have already "sold-up".

Responses

Community information sessions were held in each of the LGAs impacted by the Project between 14 and 17 May 2012 (EA Section 5.9.6). The session in the MWRC LGA was held in Gulgong rather than Mudgee as it is closer to the Project. The objective characterisations in the EA of the issues raised at the sessions are based on the feedback forms received.

Community information sessions were held as opposed to public meetings, as these were considered to be a more effective way for the community to have their questions answered. Many issues were specific to individual landholders and were more appropriately dealt with individually. Some community members indicated they would not be comfortable speaking in front of a large meeting.

At the Gulgong information session, some of the attendees had common questions, particularly about water usage and licensing. In accordance with their requests, these issues were addressed by CHC's Chief Executive Officer and several other specialists in the forum. Other participants attending the Gulgong session preferred to address their questions to the specialists individually.

20.2.14 Health impacts

Submissions

C-1, G-2, G-10, G-15, I-8, I-13, I-15, I-37, I-45, I-55, I-94, I-95, I-111, I-135

Issues

These submissions raise concerns about potential health impacts from coal mining on the community. Submissions comment that the Project will impose unjustifiable health risks and disruption on the local community and residents along the coal transport corridors from extra noise and dust, and that the EA does not include an assessment of the social, economic and environmental impacts of particulate matter. Submissions comment on the health problems in communities along rail and road corridors from extra noise and dust.

Response

Health impacts are considered in the responses to air quality (13.2.4) and noise (Section 15.2.8).

20.2.15 Social impacts on Dubbo

Submissions

NA-13, C-1

Issues

One submission comments that the social impact assessment (Appendix S) states that “from 2016 to 2017, all LGAs will be experiencing a decline in their population growth rates which will increase the availability of childcare spaces”. This statement is considered to be incorrect. Rather it is asserted that Dubbo LGA will continue to experience annual population growth in excess of 1%.

Another submission notes that the EA identifies that child care centres are already under pressure and specific mitigation measures should be given as the pressure is likely to grow.

Responses

The EA stated that although the **growth rate** may be declining in Dubbo, it will still experience growth.

The EA used the best available population forecasts for the region, which were data from the NSW Department of Planning (now the DP&I). It is acknowledged other recent population forecasts were prepared for Dubbo LGA by KPMG on behalf of the council. As this report was not available when the social impact assessment report was prepared, the assessment used the DoP’s population forecasts.

The EA and social impact assessment (Section 7.4.4) stated there will be pressures on child care facilities in 2015 (when the Project begins) until at least 2020. This is well into the medium term and considered accurate and adequate at this stage. As stated in the EA, CHC will regularly update councils and service providers with the timing of the Project and planned workforce intake.

CHC will establish a VPA with Dubbo Council and is discussing how to proceed with this. The DP&I is aware of the status of the VPA discussions. The VPA is likely to be based on monitoring actual in-migration to Dubbo LGA. Therefore, at this stage, no further consideration of demand for child care is warranted, as it would be subject to uncertainties about population forecasts.

20.2.16 Insufficient capacity at Dubbo airport

Submissions

NA-13, C-1

Issues

These submissions comment on the impacts of the Project on services from Dubbo regional airport, especially during the construction phase. They request an assessment of the potential impacts for air transport services via Dubbo airport during the construction, including flight availability and flight process.

Response

The EA (Section 12.5.1), road transport assessment (Appendix K) and workforce accommodation study (Appendix T) acknowledge that commuting by construction workers could cause capacity issues at Dubbo airport. The Project could generate up to 255 people movements per week at Dubbo airport (based on weekly and fortnightly shift patterns — see Appendix K, p.35 and Appendix T, p.26). This equates to a potential maximum of 13,240 people movements annually, a moderate increase of 7.8% on existing passenger numbers.

CHC has consulted the airlines on flights to Dubbo. Qantas Link has advised that with the arrival of the Q400 aircraft on 3 March 2013, capacity will increase by 384 seats per week (a 15% increase).

In addition, to address any capacity issues from the cumulative impacts of other developments in the region, it is likely that CHC (or its contractors) will arrange charter flights to and from Dubbo to coincide with weekly and fortnightly shift turnovers (see EA, Appendix K).

With the additional Qantas scheduled seats and charter flights, there is unlikely to be an impact on the services, prices and seat availability at Dubbo airport.

20.2.17 Negative impacts on Mid-Western Region and local towns

Submissions

NA-13, C-2, I-27

Issues

Submissions address issues relating to the Mid-Western Region. Submissions note that they are not interested in having more “foisted on them through a government owned project”. Submissions commented on the capacity of health, education and child care facilities and their ability to provide for a larger population, and that rail and road upgrade works are drawing funds away from these facilities.

Some submissions assert the EA does not provide a specific assessment of the closest villages to the Project site (such as Dunedoo and Cobbora) where there may be demand for workers to live rather than in more distant towns, such as Dubbo and Wellington. Submissions commented on the limited availability of housing lots and rental properties, and the capacity of sewage and landfill services in Dunedoo.

The MWRC comments that the population of the Mid-Western Region used in the assessment is incorrect. It cites “an independent assessment that has recently been undertaken by the NSW Government”, which “verified” that the population of Mid-Western LGA will exceed 30,000 by 2020 (being 30% population growth or an average of 3.75% per annum). The council also considers that the 2011 census results show this strong population growth, that is 5.1 % between census periods making Mid-Western LGA the fastest growing in the Orana Region (Dubbo had growth of 2.5% over the same period).

Response

The EA acknowledges that Mid-Western Regional LGA is facing pressure on housing, labour and community services. This is one reason why the Project has tried to focus training and housing strategies on the LGAs to the west, that is Dubbo and Wellington, as discussed in Section 20.2.7.

The SIA assessed impacts on Cobbora and Dunedoo, specifically their capacity to accommodate growth. The SIA (Section 21.3.1), stated that the primary assessment area (which included Cobbora) contained no shops, community facilities or sporting fields, and concluded it would be unlikely to attract a significant number of in-migrant residents.

Dunedoo's capacity was discussed with Warrumbungle council officers and real estate agents. They indicated there are proposals to develop residential blocks in Dunedoo, but the existing planning controls limit potential at present. Council is discussing these issues with the DP&I.

There are a number of population forecasts that have been prepared for Mid-Western LGA. The differences are mainly attributable to varying assumptions, in particular: the number of major (mining) projects that will be developed, the timing of these developments, the number of in-migrant workers and their family sizes.

The SIA used the DP&I forecast. Another forecast, the MWRC Local Services Assessment (Manidis Roberts on behalf of MWRC) has recently been completed. This report was not available when the EA was prepared.

Both sources estimated the LGA's population in 2011 as shown in the table below. Since then, the actual population in 2011 has been recorded in the census and it was closer to the DP&I's estimate.

Table 20.1 Forecasts of future growth

Sources	2011	2016	2021	2026	2031
Department of Planning & Infrastructure	22,200	22,300	22,300	22,200	22,000
MWRC Local Services Assessment	23,063	27,745	31,098	32,226	33,394
ABS Census (2011)	22,318	N/A	N/A	N/A	N/A

Source: DP&I (2010), Manidis Roberts (2012) and ABS (2012)

Forecasts of longer-term growth show a wide range — between 22,200 and 32,226 for 2026 — as shown in the table. If the average of the two forecasts is taken, the population would be 27,213 by the end of 2026 or an increase of 4,895 people (an annual growth rate of 1.5%). This figure would be above the average annual growth rate for NSW of 1.1% to 2026. It is acknowledged there are a number of proposed projects outlined in the Local Services Assessment with 30% population growth. However, this is considered to be very optimistic as it requires all proposed projects to occur to the maximum extent planned and within the proponents' compressed time schedules. Experience suggests this is very unlikely, particularly as some projects will be competing for the one market opportunity.

Given the uncertainties in making longer-term population forecasts, it is important to monitor and report the actual in-migration and workforce distribution. This would provide a sound basis for planning decisions.

20.2.18 Voluntary planning agreement

Submissions

NA-13, C-1, C-2, C-3, C-4, G-10

Issues

All affected councils and a community group comment on the proposed VPAs to be made with CHC.

The MWRC comments it will be at a disadvantage when trying to negotiate an appropriate VPA because of its belief the EA contains “flawed assumptions and conclusions” about the potential impacts of the Project on the LGA.

The council maintains that the established model for negotiating VPAs is to agree about the impact to infrastructure, which in this case the EA has estimated to be zero or minimal, and use per person contributions based on forecast workforce numbers for community contributions. In this case, the MWRC says that, according to the EA, its share of the operations workforce will be 10%, which it believes is an underestimate. The MWRC seeks an assurance from CHC that it will enter into serious negotiations for infrastructure upgrades and that community contributions will be based on a census of those employees who live in the LGA.

Dubbo Council comments that the four parameters on which VPAs will be based (Appendix S Section 8.3) are generalised and more detail is required. The council comments that the absence of necessary detail is inconsistent with CHC’s “stated intent” of having VPAs in place “by the end of 2012” and necessary for the PAC hearing starting in December 2012. Dubbo Council also comments that a higher proportion (than 60%) of the operations workforce will reside in Dubbo LGA and contributions should be based on a ‘census’ of CHC workers who actually live in Dubbo LGA.

Warrumbungle Council comments the EA does not specify the amount or means of calculating the financial contribution the proponent is to make, and the proposed employee location formula does not adequately recognise the costs associated with the Project for road maintenance and adverse environmental and social impacts, as these will obviously be greatest closer to the mine. Warrumbungle Council seeks a VPA that contains contributions for:

- repair and maintenance of various roads and intersections for the operational life of the mine;
- general community enhancement to address social amenity and community infrastructure requirements arising from the Project;
- compensation for any shortening of the life of council’s waste landfill depot; and
- compensation for increased administration and compliance costs.

The VPA should also:

- be strictly limited to the scope and intent of the proposal as outlined in the current EA;
- provide for amendment in the event of ownership change; and
- be registered on the titles of the land forming the mining area.

Wellington Council seeks the same terms and amount (a 25% share of \$40 m) as Warrumbungle Council.

The DP&I comments that the cost of providing identified road and intersection improvements should be explicitly identified via a breakdown of capital costs over the life of the project.

A submission from a community group comments that the “community” must be involved with CHC in negotiating VPAs because it considers previous VPAs have not adequately covered road maintenance and community services costs. The submission states this is particularly important because “none’ of the promised royalties for regions have been returned to the Central West.

Responses

The proposed VPAs are designed to offset the increased pressures on infrastructure and services caused by the migration of the Cobbora workforce into each council area, not to offset the impacts of the mine. CHC is negotiating separate funding agreements with individual councils to cover infrastructure requirements specifically related to the actual mine, such as roads and rail.

The VPAs proposed to the four councils are based on recent agreements in the Central West region, and others outside the region, as well as extensive discussions with the DP&I.

Discussions on the VPAs are under way with all four councils and agreements have been reached on a number of road and rail intersection upgrades (Section 20.2.19).

CHC acknowledges that the councils have different views from its own in relation to the Project’s impacts on infrastructure and community facilities and accepts that all views may be legitimate. The differences are largely due to variations used by each party about:

- the residential distribution of the workforce;
- the relative proportions of local employees versus employees coming in from outside the region ; and
- cumulative impacts.

Due to the inherent uncertainties in making long-term forecasts of population growth and its precise distribution (see Section 20.2.7), CHC sees no benefit in any further workforce modelling at this time.

The more equitable and realistic approach is to base VPAs on actual population growth and distribution arising from the Project. As such CHC will monitor and report to the councils on worker intake, source (local or new arrivals), number of dependents and location of residences. Contributions will then be based on a monetary sum for each worker, according to where they live at each census point.

CHC agrees that any material change in the scope of the Project would mean the terms of the VPAs would need to be reconsidered and, if relevant impacts are shown to be greater, their terms renegotiated. CHC notes the VPAs will follow from conditions given in any Project approval and will attach to the Project site, not CHC as the proponent. Thus, the VPAs would continue to apply following any change in ownership and the existence of the approval and its conditions would be shown on the land titles.

CHC is in the process of negotiating with the affected councils, as the elected representatives of the community, about the VPAs. It would not be within CHC’s power to involve “the community” in those negotiations.

20.2.19 Other financial contributions

Submissions

C-3, C-4, NA-13

Issues

Warrumbungle Council comments on the detrimental impacts to its landholdings and existing infrastructure and expects financial contributions from CHC for the following:

- the design and construction required to increase the Dunedoo sewage treatment plan capacity by at least 50%;
- the creation of another bore and potential new reservoir to maintain the Dunedoo water supply, which could be affected by aquifer drawdown as a result of the mine;
- compensation for the loss of Spring Ridge Road, which will be reconstructed in Wellington Shire LGA, and amounts to the value of \$1.4 million (as on asset register); and
- compensation equal to the cost of rates forgone as a result of required offset land becoming unrateable State owned land; this would be an annual requirement for the life of the mine.

Wellington Council requests, separate from its VPA, to secure an agreement with CHC about the funding and undertaking of road and infrastructure works that are required before the mine construction starts.

Response

CHC is discussing these matters with Warrumbungle Council at the next meeting on 12 February 2013.

20.2.20 Council capacity building

Submissions

I-50

Issues

A submission comments that the Warrumbungle Council is stretched and under-resourced. It considers that CHC should make funds available to allow the council to recruit expertise so it can negotiate the best outcomes for the community and avoid pitfalls as a result of the mine, as some other mining communities have experienced.

Response

CHC understands an experienced and appropriately qualified person is helping Warrumbungle and Wellington Councils. Further, the councils will be helped in their negotiations by expert assessments by state and commonwealth officers, including those from the PAC.

20.2.21 Social impact management plan

Submissions

C-3

Issue

Warrumbungle Council notes that the EA says the proponent will prepare a social impact management plan. The council supports this and requests an opportunity to comment on the plan prior to it being approved by the determining authority.

Response

CHC is committed to working with all councils to effectively address social and public infrastructure impacts arising from the Project. Although the preparation of a social impact management plan was not specifically mentioned in the EA's statement of commitments, an appropriate mechanism will be prepared in consultation with councils and service providers. The plan will document existing community infrastructure and services and monitor the Project's impacts on these throughout the life of the mine.

20.3 Conclusions

The Project has not changed in a way that will affect its social impacts.

Submissions raise a range of issues but mainly scepticism about the Project's ability to recruit a substantial number of local workers, questioning the forecast residential distribution of the operations workforce and raising concerns about impacts on infrastructure and facilities.

The response provides further details about CHC's recruitment and training programs, and approach to establishing VPAs with the affected councils. Also, more information is provided about the rationale for the workforce distribution and CHC's plans for monitoring and managing housing availability and related infrastructure impacts. Information about various specific issues, such as impacts on particular towns and flights from Dubbo airport, is provided.