

SOCIAL IMPACT ASSESSMENT

Western Coal Services Project – Blackmans Flat

PREPARED FOR: CENTENNIAL COAL

APRIL 2013

SOCIAL IMPACT ASSESSMENT**CENTENNIAL COAL: WESTERN COAL SERVICES PROJECT**

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EXECUTIVE SUMMARY

James Marshall & Co has been commissioned by Centennial Coal to undertake a Social Impact Assessment for the Western Coal Services Project. The Western Coal Services Project involves building a new additional washery within the Springvale Coal Services site and linking Angus Place Colliery to the facility via a new haul road.

Mining and power generation infrastructure is characteristic of the landscape around Lithgow, Wallerawang and Lidsdale and seems to be generally accepted. Community stakeholders also acknowledge that mining and power generation has brought about economic benefits to the community via direct and indirect employment.

For example, the economic assessment (Aigis Group: 2013: pp 20 - 24) identifies that the Western Coal Services Project will sustain the current mine operations at Angus Place Colliery and Springvale Mine (and possibly other future projects in the area). Together the two mines employ 495 permanent personnel and a further 75 contractors at Angus Place. Over the 20-year forecast period the net present value of Centennial employees' salaries (based on an average annual salary of \$150,000) is around \$690 million; meaning that the 'pay packet effect' of these incomes on the local economy is significant.

The economic assessment further states that the two year construction phase of the project may stimulate an additional \$301.5 to \$311.6 million in economic activity and 284 to 293 full time equivalent (FTE) jobs in the regional economy over this period. The incremental impact of the operations of the new infrastructure on the regional and broader state and national economies over the 20 year forecast period is estimated at around \$11.2 billion and will support in excess of 10,800 FTE employment positions. This is a significant and positive outcome of the Western Coal Services Project to the local, regional and broader state economy.

However residents are less tolerant when mining and power generation activities (noise, dust, odour, vibration) have an adverse impact on the amenity of their day to day life.

The residential locality of Blackmans Flat is identified as being the primary area of affectation. Blackmans Flat sits on the eastern boundary of the Springvale Coal Services site and is literally surrounded by mines, a power station and related infrastructure. The proliferation of industry around Blackmans Flat has emerged over many years and has resulted in a significant level of land use conflict.

Residents have made numerous submissions to all levels of government seeking compensation and / or relocation from the area. Regardless of whether any future industrial development can operate within existing operational criteria / limits (noise, dust etc) the perception of potential additional impact will contribute to the existing adverse social impact experienced by residents.

The Social Impact Assessment has identified that the Western Coal Services Project will have an impact on the day to day amenity of the Blackmans Flat residents. The Noise and Vibration Impact Assessment Report (SLR: 2013) has identified that the operational noise predictions will result in noise impacts at some residences surrounding the Springvale Coal Services Site. Sleep disturbance goals are also predicted to be exceeded at some residential locations.

The Visual Impact Assessment (RPS: 2013) states that the haul road overpass and noise barrier (eastern alignment) is likely to create 'visual intrusion' and further compound the visual sensitivity of the area. With regards to the proposed Reject Emplacement Area its location to the rear of the Coal Services site will create visual impact in the last 10 of the 25 years when the mound height may rise above surrounding vegetation screening at some locations.

Conventional measures to reduce the impacts (noise, visual, dust etc) will not address the cumulative impacts that have occurred over many years. Lithgow Council's Land Use Strategy

acknowledges this and has identified that the future zoning of Blackmans Flat will need to recognise the dominant land use – which is heavy industry, therefore removing opportunities to protect residential amenity.

Centennial has developed, following direct engagement with residents in the main residential area of Blackmans Flat, a strategy to manage the cumulative impacts derived from the various incompatible land uses on these residents.

This strategy will:

1. Mitigate the impacts of the WCS Upgrade Project related to noise, dust and visual amenity on the main residential area of Blackmans Flat;
2. Result in an individual agreement with each private property owner in the main residential area of Blackmans Flat; and
3. Allow for the WCS Upgrade Project to be developed to its full potential and positively contribute to the long term viability of the industry in the region.

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1. INTRODUCTION

1.1 Overview and Description of the Proposed Works

James Marshall & Co has been commissioned by Centennial Coal (Centennial) to undertake a Social Impact Assessment (SIA) for the Western Coal Services Project (the Project).

The existing site, Springvale Coal Services, is located at Blackman's Flat. It is a washery and product beneficiation plant which receives raw or "run of mine" coal from Springvale and Angus Place mines prepares it for dispatch and delivery to domestic and export customers.

Springvale Mine and Angus Place Colliery currently supply coal to the Wallerawang and Mount Piper Power Stations, with limited export via Lidsdale Siding. Angus Place currently has no access to export markets while Springvale has the ability to export using the underside of Overland Conveyor 2 from the Washery at the Springvale Coal Services Site to Lidsdale Siding.

Springvale mine has existing approval to produce 4.5 million tonnes per annum (Mtpa). Angus Place Colliery has approval for production of 4 Mtpa. At present the mines produce approximately 3.7 Mtpa and 4 Mtpa respectively. In order to enable Springvale Mine and Angus Place Colliery to achieve full production and provide flexibility to meet future export and domestic markets as well as future projects, Centennial has identified that improvements to facilities at Springvale Coal Services are required. The proposed upgrade would increase processing capacity from the current 2.0mtpa to 7.0mtpa. Complementary works to increase transportation capacity are also proposed.

The scope of the Project includes the following works:

- Upgrading the existing Washery at the Springvale Coal Services Site by constructing additional processing infrastructure adjacent to the existing facility which is capable of processing a combined total of 7.0 Million tonnes per annum (Mtpa);
- Provision for sufficient reject disposal capacity for a 25 year life;
- Increasing the rate and utilisation of the return side of existing overland conveyor system to enable up to 6.3 Mtpa to be delivered to Lidsdale Siding;
- Construction of additional conveyors and transfer points and other coal handling requirements to cater for the upgraded Washery facility;
- Construction of a private haul road linking the Springvale Coal Services site with the existing private haul road from Angus Place Colliery to Mount Piper Power Station. This private road will cross a section of the existing Pine Dale Mine operation and over the Castlereagh Highway;
- Integrate the existing approved transport and processing of coal at Springvale Mine and Angus Place Colliery into this consent;
- Include, the remaining rehabilitation, monitoring and reporting requirements associated with the Lamberts Gully Mine which occupies the Springvale Coal Services Site;
- The continued use of all existing approved infrastructure, facilities and activities associated with the transport and processing of coal from each mine gate and the point of delivery to either power station and the Lidsdale Siding including existing conveyors, private haul roads, services, access roads, car parking and buildings; and
- Installation of additional pollution control infrastructure.

In addition to these project works, the present application seeks to consolidate all existing approvals relating to coal processing and transport under this consent. The Project Application Area is shown in Figure 1 and the Springvale Coal Services Site is shown in Figure 2.

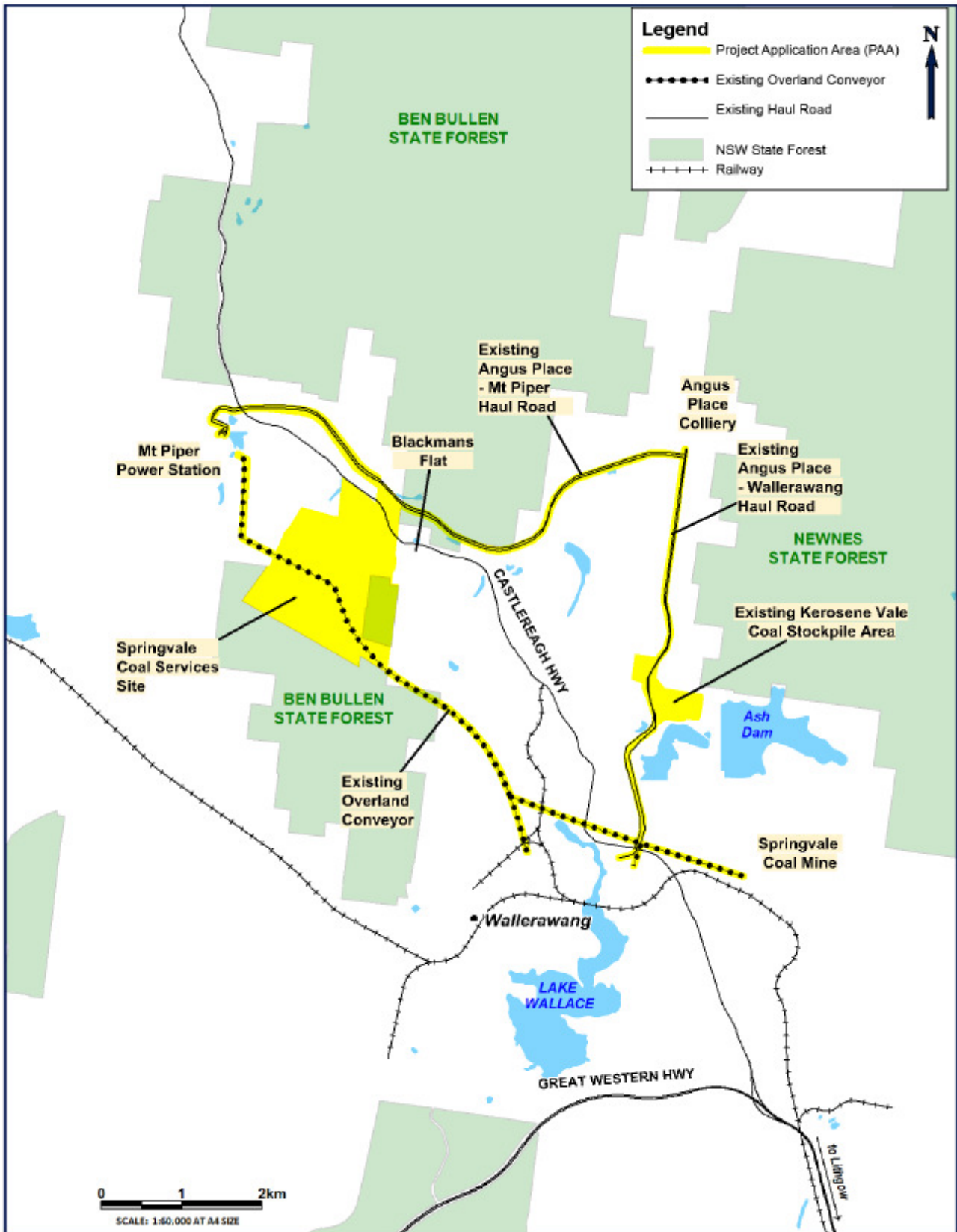


Figure 1: Western Coal Services Project Application Area is highlighted in yellow. Note the location of Blackmans Flat on the eastern boundary of the Springvale Coal Services Site.

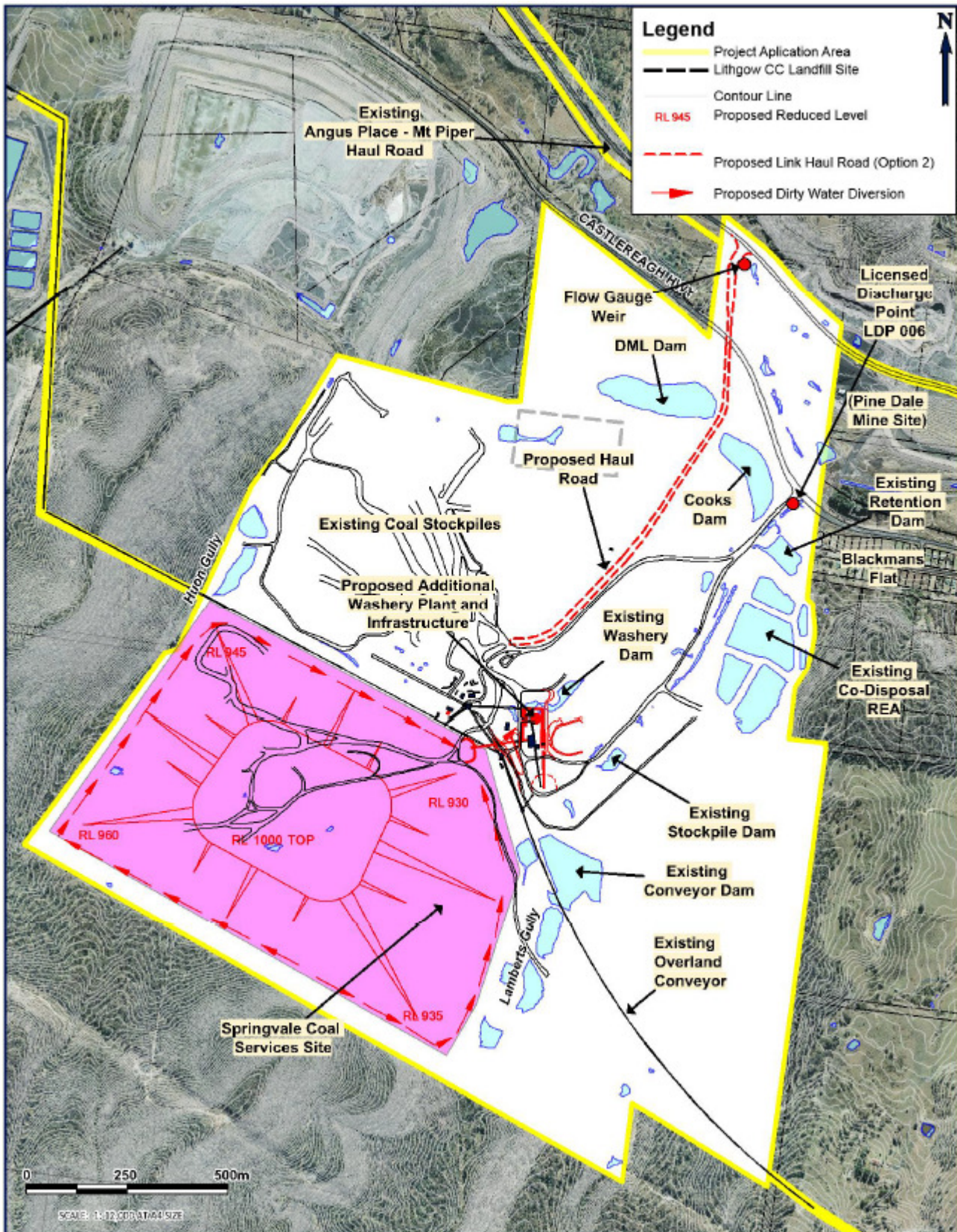


Figure 2: Springvale Coal Services Site. The locality of Blackmans Flat is situated on the eastern boundary of the site.

1.2 Methodology - Social Impact Assessment

The approach for this Social Impact Assessment references the 'Techniques for Effective Social Impact Assessment: A Practical Guide (Office of Social Policy, NSW Government Social Policy Directorate)'; Section 79(c) Environmental Protection and Assessment Act and recognised industry approaches for undertaking such work.

A SIA is a systematic, staged approach of enquiry that identifies who may be affected by the Project and how they are affected. It takes into account the scope of the development and how the Project will impact on the needs, issues, values and aspirations of the surrounding community stakeholders. Therefore the purpose of the SIA is to:

- Assess the social impacts of the Project including any impacts on local infrastructure and services;
- Assist in establishing the full facts about the development, to support a well-informed decision about the appropriateness of the Project;
- Recommend mitigation measures to minimise adverse impacts and maximise benefits of the Project;
- Assess the impacts of the Project on future generations;
- Inform the community and facilitate participation by the community in the planning and development of the Project;
- Facilitate the consideration of alternative proposals; and
- Enhance existing data to inform the planning and assessment process.

. The core steps are:

1. Profiling: This involves understanding the scale and scope of the project, parameters of the SIA and identifying the stakeholders (determined by the areas of affectation).
2. Scoping: This involves identifying the likely impacts arising from the development and includes consultation and feedback from identified stakeholders. Consultation is undertaken in a range of ways and may include informal consultation, stakeholder engagement, surveys etc.
3. Assessment: This section explores the likely impacts that will arise. The scope of the assessment is determined by the likely impacts and as a guide may include (but not be limited to):
 - Changes to the population and characteristics of the area.
 - The community structure, its character or beliefs.
 - The health and safety of those living and working in the vicinity of the development.
 - An assessment of safety as it relates to crime, anti social and nuisance behaviour.
 - Social cohesion, in particular the quality of life of those living in the vicinity of the development.
 - Cost of living, including housing affordability.
 - Accessibility.
 - Sense of place and community.
 - The impact on existing services, including tourism etc.
4. Management: All impacts should be identified and those that are identified as having an adverse or detrimental affect need to be managed and mitigated where possible. It is not always possible to manage all adverse impacts however identification of these impacts and how they can be managed must be taken into account. Similarly, impacts that are identified as being positive need to also be identified and capitalised upon where possible and appropriate. This allows for an assessment as to whether the proposal meets net community benefit criteria.
5. Monitoring: Strategies to monitor identified impacts may need to be identified to ensure that management strategies are adhered to and those cumulative impacts are identified, monitored and taken into account with further development.

2. COMMUNITY PROFILE

2.1 Lithgow LGA - Overview

The Lithgow Local Government Area (LGA) is a relatively large geographical area of 4,551 sq km, located about 140 kilometres west of the Sydney CBD and within the eastern part of the Central West Region. The LGA is made up of one large urban centre called Lithgow, two townships called Portland and Wallerawang and numerous villages, hamlets and rural localities of varying proximity to Lithgow.

Until recently Lithgow was perceived to be an inland mining and industrial centre, however, recent developments have seen Lithgow recognised as an important tourism destination, heritage centre and a desirable residential area. The Lithgow LGA includes World Heritage listed National Parks and State Forests, making Lithgow an important domestic and international visitor destination. Environmental protection and natural resource issues within the Lithgow LGA are becoming increasingly recognised and include:

- Management of land within the Sydney Drinking Water Catchment Area;
- Cumulative impacts of on-site effluent disposal;
- Management of bushfire threat to settlement and areas of high biodiversity;
- Impact of flooding on settlement areas;
- Loss or reduction of environmentally sensitive land, water and biodiversity resources;
- Encroachment of development on the scenic qualities of the landscape;
- Management of contaminated lands.

The vision for the LGA (Lithgow Community Strategic Plan 2025) was developed in collaboration with the community and adopted by Council in 2006. It sets a vision for the next 10 to 20 years for the Local Government Area. The overarching vision statement is:

A centre of Regional excellence that:

- *Encourages community growth and development*
- *Contributes to the efficient and effective management of the environment, community and economy for present and future generations.*

2.2 Population Characteristics

The 2011 Census (ABS Census Data) recorded a population of 20,160 people living in the Lithgow LGA which is a 2.04% increase in population from the 2006 census. Prior to the 2001 Census there was a slight decrease in population. The fluctuating population is attributed to the changing employment characteristics of the area and the trend for younger people to move out of the area to seek lifestyle, education or alternate employment opportunities.

Current predictions by the Department of Planning and NSW Department of Health state that although there will be slight population growth in the Lithgow LGA until 2017, the population is expected to progressively decline with no population growth until the year 2036. Furthermore, the area is expected to age at a higher rate than other NSW populations. In 2006, the median age of the Lithgow population was 40 years, in 2011 42 years and it is projected to rise to 51 years by 2036 should current trends continue.

That there is a high proportion of in-migration to the area by residents between the ages of 40-54 years of age and a decline in the number of young adults between 25-39 years. The decline in the number of young adults in the area suggests that young people are leaving school and seeking employment or education elsewhere due to a lack of tertiary education facilities and limited job opportunities within the area.

Between 1996 and 2009, over 55% (699) of all dwelling approvals has occurred within rural areas, increasing the population in these areas by approximately 1,678 persons. Many of the people moving into rural areas have come from outside of the LGA and a high number of land holders are not permanent residents of the area. These residents have very different 'values' and connection to the land; and usually do not identify with the mining history that is often presented as being characteristic of the LGA.

Table 1: Time Series Data – Lithgow LGA

Selected Medians	2001	2006	2011
Population	19,332	19,756	20,160
Median age of persons	37	40	42
Median Total personal Income (\$ weekly)	295	356	455
Median total family income (\$ weekly)	822	1,027	1,190
Median total household income (\$ weekly)	642	751	894
Median mortgage repayment (\$ monthly)	750	1,083	1,452
Median Rent (\$ weekly)	110	135	170
Average household size	2.5	2.4	2.3

The following are key characteristics of people who live and work in the Lithgow LGA:

- There are fewer young people living in the LGA.
- Lithgow has a population which is aging at a relatively faster rate than the NSW average.
- Marginal population growth to 2017 is forecast for Lithgow, after which the population is forecast to decline.
- The largest employer in Lithgow LGA is mining, followed by retail trade, accommodation and food services, public administration and safety, health care and social assistance.
- The majority of workers in Lithgow (84.9% or 5,820 persons) live and work within the LGA.
- 15.1% of total workers live outside the LGA and travel into Lithgow for work, with the majority travelling from the Blue Mountains.
- 24.5% of the resident workforce leaves Lithgow LGA to work, mostly to the Blue Mountains followed by Bathurst.
- Those who travel to the Blue Mountains mainly work in health care, accommodation and food services, retail trade and public administration and safety. Most of those working residents who travel to Bathurst work in manufacturing, agriculture, and education and training.
- Only a very small proportion of working residents travel to Sydney and Penrith.
- The majority of working residents in Lithgow LGA work in mining, manufacturing, retail trade, accommodation and food services, public administration and safety, health care and social assistance.
- Those working residents that leave Lithgow LGA to work mainly work in manufacturing, construction, wholesale trade, transport, postal and warehousing, information media and telecommunications, professional, scientific and technical services, administrative and support services, education and training, arts and recreation services (based on more than 25% of working residents leaving the LGA by industry type).

2.3 Mining History

Lithgow has a long history with mining and power generation. Lithgow is situated in the Western Coalfield which is located between Katoomba in the south-east and runs north-westerly through Hartley, Lithgow, Wallerawang & Cullen Bullen to Kandos and Ulan. Mining in Lithgow dates back to the mid 1800's where coal was initially mined for domestic use. The completion of the railway between Sydney and Lithgow resulted in an increase in the industrial activity in Lithgow and the district.

The three most popular industry sectors within the Lithgow local government area are Retail, Mining and Health Care and Assistance with these sectors employing 31.3% of the residential population. However, the economic base of Lithgow is still recognised as being the energy and resources sector. Both sectors have long been major employers and subsequently make a significant contribution to the overall economy. Considerable growth has been experienced in the local energy and resources sectors particularly with the expansion of a number of mines. This is providing a diverse range of opportunities for local support services and the resident workforce. Therefore direct and indirect employment opportunities occur across a number of non-energy and resources sectors; including retail and accommodation.

The importance of the coal mining industry to the regional economy is made clear in Lithgow City Council's Economic Development Strategy (EDS) 2010-2014 which states;

- "In 2006, the mining sector employed 10% of the total Lithgow resident workforce second only to the Retail sector at 11.2%".
- "The largest employer in Lithgow Local Government Area is mining".
- "Only the mining sector had a greater percentage contribution to gross regional product (27%) than its share of employment (12%)".

Gross Regional Product data analysis taken from the Lithgow Jobs Summit 2008 Report highlights the following key indicators:

- In 2006-07 the gross regional product for Lithgow Local Government Area was estimated to be approximately \$723.8 million.
- The manufacturing sector contributed 7% of value added while health, utilities and the retail sector each contributed 6%.
- Of these, only the mining sector had a greater percentage contribution to gross regional product (27%) than its share of employment (12%).
- The retail sector's high share of employment.

The sustainability of the mining sector and its related employment is clearly vital to the broader economic wellbeing of the area. This Project is a critical element in sustaining a direct and positive impact on the area's economic sustainability. The economic assessment (Aigis Group: 2013: pp 20 - 24) states that the Project will help sustain the current mine operations at Angus Place Colliery and Springvale Mine (and possibly other future projects in the area). Together the two mines employ 495 permanent personnel. Over the 20-year forecast period the net present value of Centennial employees' salaries (based on an average annual salary of \$150,000) is around \$690 million; meaning that the 'pay packet effect' of these incomes on the local economy is significant.

The economic assessment further states that the two year construction phase of the project may stimulate an additional \$301.5 to \$311.6 million in economic activity and 284 to 293 FTE jobs in the regional economy over this period. The incremental impact of the operations of the new infrastructure on the regional and broader state and national economies over the 20 year forecast period is estimated at around \$11.2 billion and will support in excess of 10,800 FTE employment positions. This is a significant and positive outcome of the Western Coal Services Project to the local, regional and broader state economy.

2.4 Local Characteristics

The Project is located in the Western Coalfield, between the existing two power stations and surrounded by coal mining operations and infrastructure. Rural land and isolated rural residents, transport infrastructure and State Forest are also characteristics of the area. Located on the immediate eastern boundary of the Springvale Coal Services Site is the locality of Blackmans Flat. The main residential area of Blackmans Flat contains 11 dwellings.

The townships of Wallerawang and Lidsdale are located approximately 8 kilometers to the south east of the Project. Wallerawang is the closest retail and commercial centre which will meet the

day to day needs of local residents. Lithgow is located 18 kilometers to the south east of Blackmans Flat and is the main urban centre meeting higher order retail, commercial and professional service needs for residents.

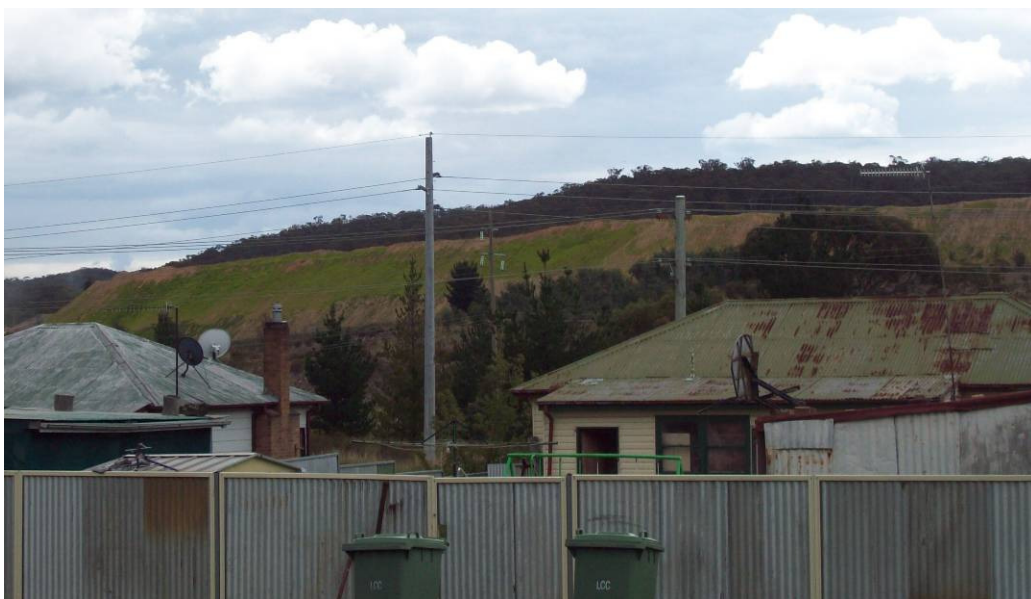
Due to its location, the main residential area of Blackmans Flat is identified as being the primary area of affectation for this Project. This is because of its proximity to the project boundary; existing day to day noise, dust, odour, visual and vibration impacts from surrounding industry and additional impacts that will arise as a result of this Project. Surrounding Blackmans Flat is a proliferation of power generation, mining activities and associated infrastructure which has resulted in long standing, significant and unresolvable land use conflicts. The following maps illustrate the intensification of industry around the Blackmans Flat locality.



Figure 3: Blackmans Flat main residential area.



Blackmans Flat has been affected by the cumulative impacts of mining for many years.



View of Pine Dale Mine, from Noon Street, Blackmans Flat.



Wallerawang Power Station is the backdrop to the town of Wallerawang.



Wallerawang Power Station from the Castlereagh Highway



Wallerawang Power Station from Wolgan Road, Lidsdale

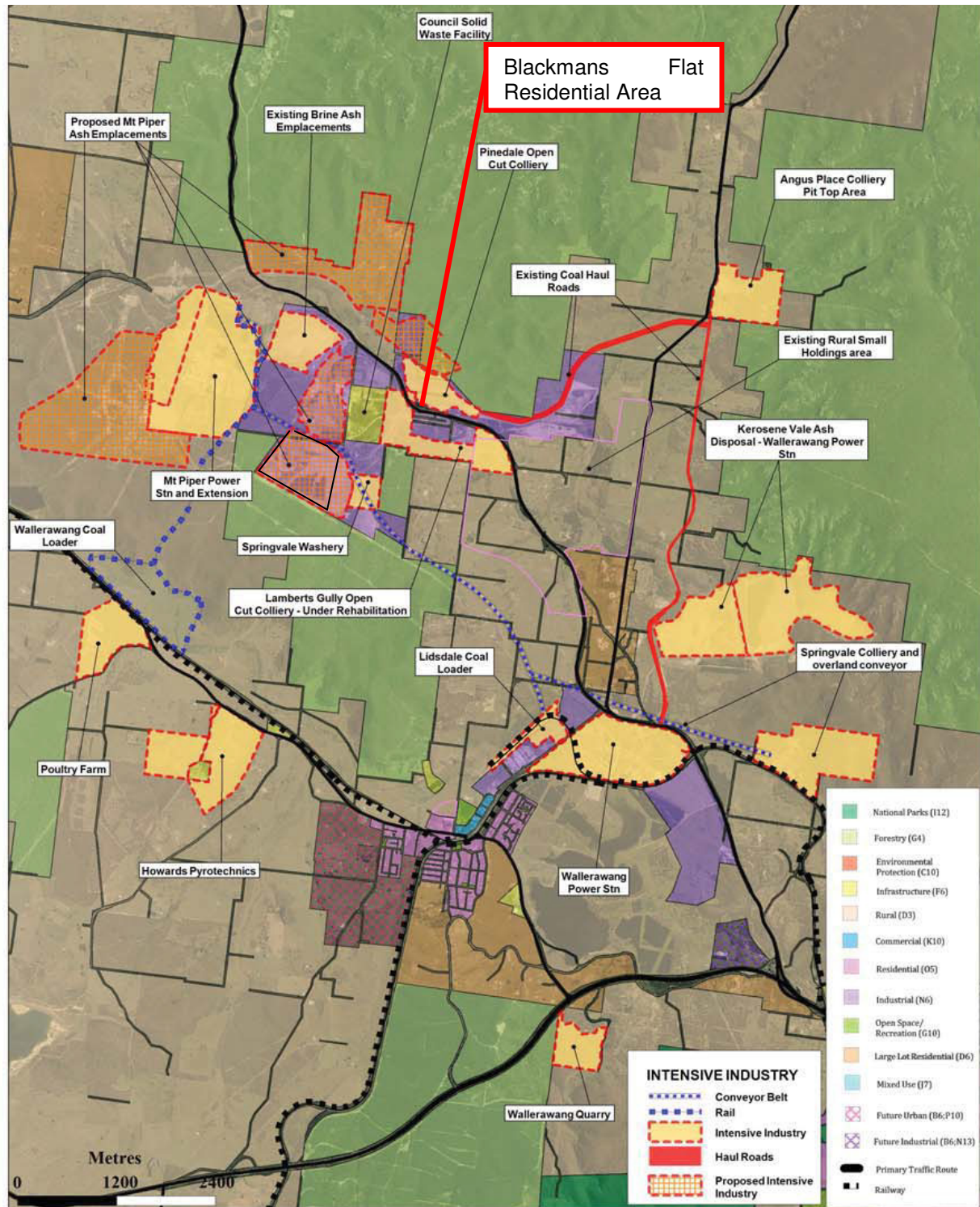


Figure 4: Map showing the proliferation of mining and power generation activities in the area

3. STAKEHOLDER CONSULTATION

To assist understand the potential social impacts of the Project, the outcomes from previous consultations have been reviewed which include the development of Lithgow City Council's Land Use Strategy, consultations undertaken by the Department of Planning and Infrastructure (in early 2011). Centennial has also undertaken direct consultation with residents regarding this project.

3.1 Former NSW Government's Coal and Gas Strategy: Lithgow Regional Forum 25 February 2011

The former NSW Government presented a number of regional forums at the beginning of 2011 to discuss and explore the NSW Coal and Gas Strategy (now replaced with the Regional Strategic Land Use Strategy). A summary of relevant and key themes raised by speakers includes:

Issues relating to Coal Mining:

- Coal mining can affect landowners and environmental issues in the area may have resulted from coal burning.
- In relation to mining there should generally be better controls around impacts on the environment.
- There should be buffer zones where mining does not occur that provide clean zones for better lifestyle. We need to protect the ecology and biodiversity of an area.
- Mining can be very divisive in local and regional communities.
- We can't just look at the anti mining concerns – the Strategy needs to look at a set of balanced outcomes.
- The benefits of mining cannot be underestimated.

Social and community impacts:

- Given the Sydney Basin is almost exhausted for housing, the western areas (eg including in and around Lithgow) provides an opportunity to house people – mining may compromise that opportunity.
- There is a need to take into account the needs of future generations in terms of health, housing, ageing population etc., and provide suitable environments for them to live.
- The issues for balance and certainty for communities is an important issue that needs to be addressed.
- There is a reluctance of industry to embrace the protection of other values.
- Serious consideration needs to be given to the assumptions and values that we place on the growth of energy demand and its importance in terms of jobs.
- In 20 years time we may be talking about shortages of food – The question of what are our long term goals and priorities for the use of our land should be an important consideration in the development of a Coal and Gas Strategy.
- Tourism – local and regional tourism would be devastated by mining.
- We need to model costs/benefits/value associated with good lifestyle areas, tourism and ecological aspects.
- People are concerned about the health impacts and want to ensure they have a positive quality of life, health, food water and social connectivity to the community.
- We need to make sure all the values of different land uses, lifestyle opportunities, health benefits, food security etc are recognised.
- Don't forget disastrous effects and families on jobs – it was not long ago that there were protests about job losses in Lithgow due to mine closures.
- Legislation needs to change so that property owners know they are likely to be affected before the license is issued.
- There needs to be a better contribution towards the needs of communities cost of infrastructure needs to be met and contributed to.
- Need baseline data before we go forward to gauge cumulative impacts.
- Communities have been calling for independent studies for a long time.

- Local communities are being devastated by mining (churches, fire services, schools etc are losing people).
- If there is so much value for the state, will there be consideration to covering the community against the costs of these major developments?
- Social impact assessment should be undertaken to gauge impacts

3.2 Centennial Coal Community Information Sessions

In early 2012 Centennial undertook consultations and information sessions for Western Coal Services Project, Lidsdale Siding Upgrade, Springvale Mine and Angus Place Colliery developments. The consultation / information sessions comprised:

- A letter box drop of leaflets during early March 2012 inviting the regional community to Community Information Sessions;
- An article placed in the Lithgow Mercury, in Centennial's Local Lithgow Project Update to provide the regional community with an update on the four projects in the area;
- Further project updates in the Lithgow Mercury advertising the three forthcoming Community Information Sessions; and
- A further advertisement placed in the Lithgow Mercury on 17 March 2012.

Community Information Sessions were subsequently held at the Country Women's Association in Wallerawang on:

- Wednesday 14 March 2012, evening session from 4pm to 8pm.
- Saturday 17 March 2012, morning session 9am to 1pm.
- Tuesday 20 March 2012, morning session 9am to 1pm.

Centennial representatives from all four projects were present at all three sessions. Information boards with project plans and illustrations were on display. The sessions were then reported in an article in the Lithgow Mercury on 21 April 2012. Issues raised by the community in relation to the wider regional developments include:

- General visual impacts, particularly from open cut mining;
- Intensification of mining activities; and
- The recognition of impacts from sources other than Centennial such as other mining operations and the two power stations.

3.3 Land Use Strategy

In the development of its Land Use Strategy (LUS) Lithgow City Council consulted with the Wallerawang / Lidsdale and Blackmans Flat communities in March 2006. The following values and aspirations were identified:

- Increasing job opportunities for their children.
- Improved infrastructure for Wallerawang.
- Preventing Sydney type sprawl in the area.
- Preserving scenic landscapes.
- Maximising opportunities for sustainable business development.
- Promoting tourism.

Planning principles that have been taken forward from these initial consultations and incorporated into the development of the LUS are:

- There needs to be a consolidation of the town centre.
- Provide a land use structure cognisant with its current and future land use.
- Large lot residential to remain on the fringes of the urban areas.

- Regard for industrial nature and environmental constraints when considering future land uses.

Taking into consideration these identified values and aspirations and information contained in the LUS a Strengths, Weaknesses, Opportunities and Threat analysis (SWOT) was developed.

Strengths

- Established retail and commercial precinct within Wallerawang that meet the day to day needs of residents.
- Within close proximity to the Lithgow CBD which provides higher order services.
- Existing employment opportunities within established industries based around mining and power generation.

Weaknesses

- Fragmentation of land due to industrial development occurring in rural lands.
- Impacts on amenity by existing industrial/power generating development.
- Land constraints as a result of location of industry, railway, slope and topography etc.

Opportunities

- Potential for further industrial development in the area and subsequent associated industrial and commercial spinoffs.
- Capitalise on construction activity associated with the proposed expansion of Mt Piper Power Station.
- Opportunities for the development of short term accommodation options to meet the demand created by itinerant workers.

Threats

- Land use conflict.

Feedback from consultations consistently highlighted the importance of mining and power generation with regards to local employment and the economy. It was also highlighted that the ongoing development of industry should not be at the cost of residential amenity.

3.4 Direct Consultation

As a result of the March 2012 community information sessions facilitated by Centennial Coal, a number of Blackmans Flat residents prepared a submission (dated 15 April 2012) outlining their opposition to the upgrade of the Project. Residents state that the existing cumulative impacts of all the nearby projects have resulted in loss of property values; increased noise, including noise from blasting and truck movements; health issues relating to dust, visual impacts; restricted access to areas of the forest which were once enjoyed for walking and an overall loss in residential amenity.

Additional to this Project, resident's expressed concern that the proposed expansion of Pine Dale; nearby ash placement for Delta; proposal by Enhance Place to open cut mine in Ben Bullen State Forest; the allocation of land for a rubbish tip and the suggested recommendation to zone Blackmans Flat as industrial (as per the Lithgow LUS in recognition of its dominant land use) would all have a significant adverse impact on residential amenity.

In their submission residents acknowledge the need to pursue growth in the economy and employment; and that the development of industry at Blackmans Flat makes a significant contribution to the local, regional and state wide economy. However these benefits have been at the detriment of the residents who live in this area. A group of Blackmans Flat residents attended

the Central West Community Cabinet Meeting (held in Bathurst 4 June 2012) to present their issues relating to the impact of industry on their residential amenity.

Centennial Coal has undertaken consultation with people living in the main residential area of Blackmans Flat (refer Figure 3). Through this consultation it was found that residents have lived in this area for between 5 and in one case over 70 years. Residents have moved into the area for a range of reasons which include cheaper housing prices; some came to enjoy the rural amenity (prior to the expansion of industry) and some came with knowledge of the nearby industry.

All residents share stories as to how the surrounding industry has impacted on the amenity of the area and on their day to day life. The constant hum of the industry makes it difficult for some residents to sleep and others did not open doors or windows due to dust. Residents experienced frequent noise and vibration from blasting which had resulted in damage to some houses. There was evidence of cracked and broken tiles and one resident reported that their front door was occasionally 'jarred open' by the vibration impact from blasting.

The visual impact from the neighbouring Pine Dale mine is imposing and the restricted access to the nearby state forest has taken away opportunities for leisure / walking which some residents once enjoyed. Over the past 5 years there have been numerous submissions to industry, local, state and federal politicians regarding better management of these impacts and there have been numerous requests for compensation and relocation from the area. The following is an extract from Lithgow City Council's Finance and Services Committee Meeting Minutes (4 December 2006), referencing a presentation to Council by Blackmans Flat resident.

"This community is already totally surrounded by encroaching heavy industries, none of which are compatible with a residential lifestyle, all of which are having a massive cumulative impact, all of which have totally wiped out our property values, are destroying our health, our amenity, and environment".

'Don't just abandon us' is the Blackmans Flat plea

Story: LYNN PINKERTON

RESIDENTS of Blackmans Flat are awaiting the results of a meeting with NSW Planning and Infrastructure Minister Brad Hazzard and Resource and Energy Minister Chris Hartcher during the Community Cabinet in Bathurst recently.

The residents are desperate to find some solution to the problems which have increasingly bedevilled the village with mining operations and the impending 'super tip' for Lithgow Council.

A delegation of Blackman's Flat residents travelled to Bathurst to meet with the ministers about issues they were having with the expansion of mines in the region.

Plans are currently on the table for Pinedale to expand into open cut operations as well as plans for Centennial Coal to construct a haul road close to the village.

"Most of the residents want to sell their

properties or relocate away from the open cut mines, with a the Centennial haul road and Pinedale open cut 200 hectares to be situated in very close proximity to the town, and it is hard to do that with these projects going ahead.

"We are asking for a buy out or some sort of compensation for the damage that has been caused to our homes because of these projects," local resident Glenda Weekes said.

In 2009 the NSW Department of Planning announced it had approved an \$80 million coal handle at Pipers Flat for Delta Electricity.

It was suggested at that time that it would be a far preferable option to place the coal plant at Blackmans Flat and relocate the handful of Blackmans Flat properties to Pipers Flat.

Nothing more has been heard about either proposal since the 2009 announcement.

Source: Lithgow Mercury 19 June 2012

3.5 Key Themes Emerging from Consultation

Information gathered from the community profile, strategic planning documents and feedback from consultations has identified a number of key points which are relevant to the social impacts relating to the Project. These are summarised below.

- Mining and power generation are a significant feature of the LGA as are agriculture and national parks.
- Continued growth in mining and power generation is a major contributor to the economy and progress in these sectors is considered essential.
- Mining and power have been a significant source of employment via both direct and indirect employment. Many towns and villages emerged as a result of the local mining industry and local businesses articulate the benefit they receive from 'the mines'.
- There is a strong connection to mining by the community however this connection is not shared across the entire LGA.
- Previous land use planning has not provided adequate protection from land use conflict resulting in numerous examples of land use conflict across the LGA.
- Despite the connection to power and mining, residents do not want to be adversely impacted upon by industry when they are not at work. It would therefore be a risk to presume that a strong connection to mining and power means that it is acceptable to expand without considering social impacts.
- Amenity is still an important factor to quality of life and noise, dust and visual impacts arising from industry will have adverse effects on residential amenity.
- Identified benefits arising from mining such as construction of additional infrastructure, maintenance of existing and creation of additional jobs, role in the export economy etc does not outweigh the impact on community amenity even if the industry (eg mine) operates within approved limits.

4. ASSESSMENT OF SOCIAL IMPACTS

4.1 General

Many residents and local business operators in Lithgow, Wallerawang, Portland and Lidsdale will talk freely about the importance of mining and clearly articulate the positive impact in relation to direct and indirect employment and the flow on effect to other non-mine related businesses, in particular retail.

The economic impact assessment (Aigis Group: 2013) has found that the project may stimulate an additional \$301.5 to \$311.6 million in economic activity and 284 to 293 FTE jobs in the regional economy over the two years construction period. Further, the incremental impact of the Project on the regional and broader state and national economies over the 20 year forecast period is estimated at around \$11.2 billion and will support in excess of 10,800 FTE employment positions”.

The project will support the ongoing employment of Angus Place Colliery and Springvale Mine. Over the 20-year forecast period the net present value of Centennial employees’ salaries (based on an average annual salary of \$150,000) is around \$690 million; meaning that the ‘pay packet effect’ of these incomes on the local economy is significant.

However, consultation highlights that while the LGA’s mining history and the positive economic impact is important and generally recognised, it is not as tolerated by individuals when there is an impact on their day to day residential amenity.

4.2 Area of Affection

As previously stated the primary area of affection is Blackmans Flat. This is because it is located on the eastern boundary of the Springvale Coal Services site, is directly opposite Pine Dale and within close proximity to the Delta Power Station. Further to the existing operations are the proposed expansion of Pine Dale; nearby ash placement for Delta; proposal by Enhance Place to open cut mine in Ben Bullen State Forest; the allocation of land for a waste disposal facility and the suggested recommendation to zone Blackmans Flat as industrial in the proposed Local Environmental Plan (LEP), in recognition of its dominant land use.

The current Lithgow LEP adopted a flexible planning approach to land use zoning. It essentially permits, with consent light, industrial development in a number of zones and all forms of industry such as mining, within the General Rural zone. The intent was to provide broad and flexible planning arrangements in an attempt to encourage employment generating development and increase prosperity for the LGA.

There have been detrimental impacts of this approach. Rather than resulting in the expansion of significant employment generating development, this ‘flexible’ approach has resulted in significant land use conflicts and stifled employment development via lack clearly defined and appropriately zoned land. For example, power generation and mining activities and associated infrastructure around Blackmans Flat has resulted in significant and unresolvable land use conflicts (Lithgow City Council Draft LUS).

To manage the land use conflict at Blackmans Flat, the LUS recognises that the area is affected by a number of primary constraints and it is considered that the current disturbed nature and use of this land has diminished its environmental and residential value and would therefore not preclude future industrial land use.

The LUS goes on to say that Blackmans Flat is an appropriate location for ‘value added’ industries to mining - briquettes from coal residue; ash disposal and the future waste facility are an appropriate use of this area because separation of residential and mining land uses would now be impossible.

With this in mind the LUS had initially recommended that Blackmans Flat be zoned heavy industry in order to remove any ambiguity regarding the dominant existing and future land use of the area. This recommendation has met with opposition from residents living in the area who wish for Blackmans Flat to be zoned 'village'. Council has responded by stating that the area has never been recognised as a village by any previous planning instrument as it lacks necessary services and facilities for this area to be considered within the adopted settlement hierarchy.

The potential for continued land use conflict is high and therefore no further residential land use beyond what is existing, or is subject of a current development approval will be encouraged in Blackmans Flat. The LUS recommends that specific controls should be put in place to more appropriately manage land use conflict and encourage compatible land use. However this recommendation would be difficult to achieve given the level of existing conflict. It is believed that reclassification to industrial is appropriate and inevitable.

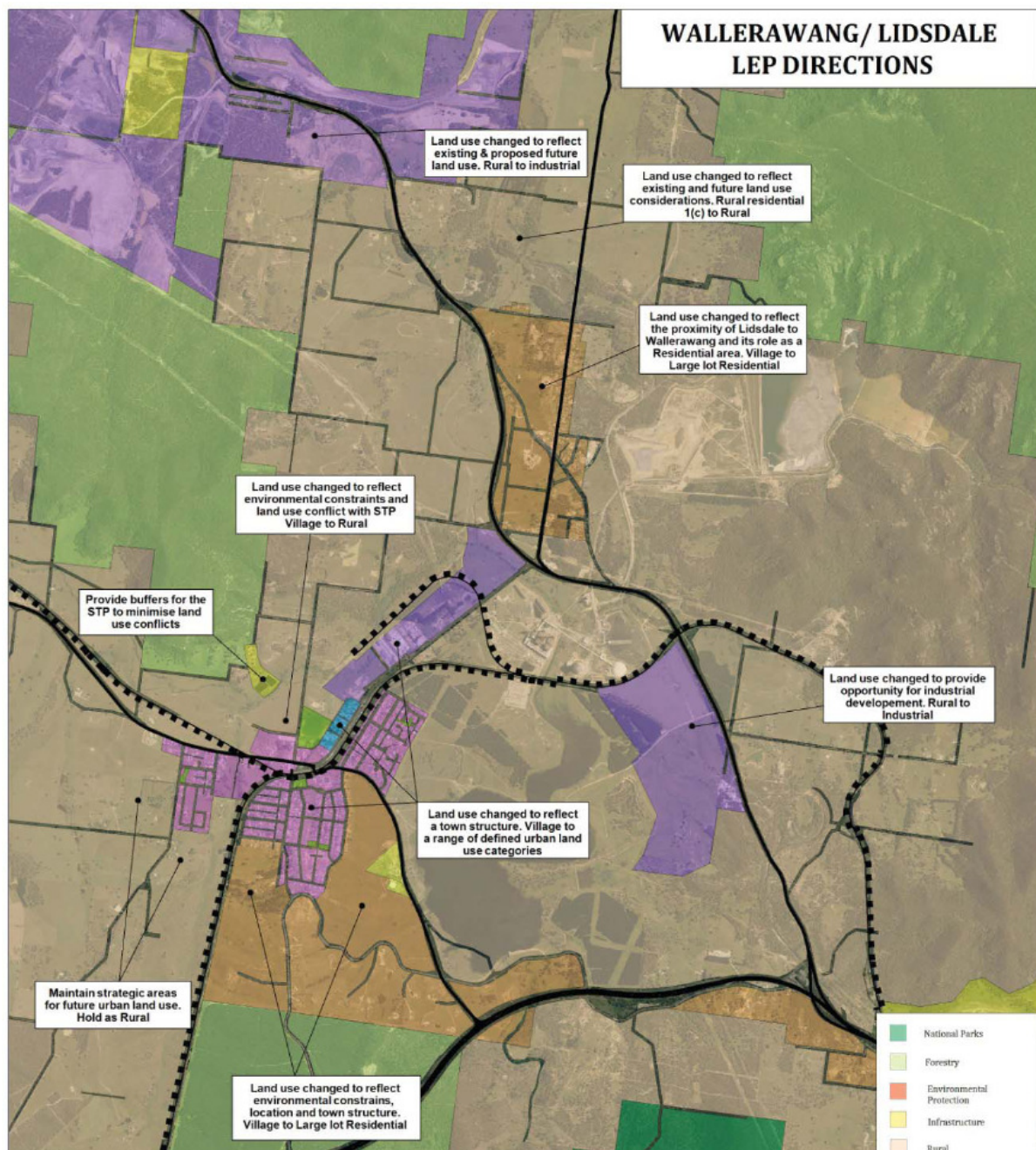


Figure 5: Wallerawang / Lidsdale: Proposed LEP Provisions

The existing proliferation of industry surrounding Blackmans Flat represents an unacceptable level of land use conflict, emerging over many years as a result of inadequate land use planning

guidelines and a project approval process that has not taken into account the residents of Blackmans Flat. The direction of the LUS recognises this, however its recommendation that specific controls should be put in place to more appropriately manage land use conflict and encourage compatible land use has become impossible. It is appropriate to recognise the dominant land use; incompatibility of residential living and the need to upgrade and expand industry in the immediate area, and apply an appropriate industrial zoning in the new LEP.

The proposed Project will add to the land use conflict and further impact on residential amenity. The specialist consultants engaged to undertake specific studies for the EIS has found that there will be additional impacts on those living in the main residential area of Blackmans Flat. The Noise and Vibration Impact Assessment Report (SLR: 2013) has identified that the operational noise predictions will result in “residual noise impacts” at some residences surrounding the Project site. Sleep disturbance goals are also predicted to be exceeded at the majority of residential locations. The proposed haul road will create noise and visual impacts and the REA will also create visual impacts.

Identified noise mitigation measures at the haul road crossing (5 metre barrier) will not address all noise impacts and will result in a significant visual impact within the vicinity of Blackmans Flat. The noise and visual impact of the haul road overpass will be reduced by moving to the western alignment, screening and painting; however such steps will do little to appease residents.

4.3 Sensitivity Analysis

The Director General's Requirement's for the project require sensitivity analysis to be conducted in respect of the Project. The underlying assumption to this analysis is that the Project is adopted as the 'base case' against which alternative scenarios may be compared.

In the context of the SIA the principal 'environment' is the main residential area of Blackmans Flat, which has been identified as the primary area of affectation. The broader Lithgow LGA is also considered as a relevant environment which would experience the positive and negative impacts of the Project and the activities it supports. However operational impacts are of lesser concern to this broader area. As a consequence, the chief focus of the sensitivity analysis is the community of Blackmans Flat.

Mitigation is a means of minimising identified adverse impacts on sensitive receptors (i.e. the social amenity of Blackmans Flat) and could result in a number of scenarios being employed. Due to potential impacts, not proceeding with the upgrade of the Springvale Coal Services site is one scenario. The outcome would result in limited access to the coal export market (via Springvale Mine and Angus Place Colliery) and potentially sterilise access to other coal resources (i.e. the Neubeck Project). Therefore, it could be argued that the capital investment required to upgrade Springvale Coal Services would not be justified. Although this approach would eliminate any additional (cumulative) impacts, this option would not address existing land use conflicts, which community consultation indicates are already 'unresolvable'. This scenario would also impact on the broader community of Lithgow LGA, as the ultimate result may be a reduction in planned future mining, with the negative economic effects associated with such an outcome.

With respect to the Project 'base case', mitigation of impacts must take into account a range of factors which include the viability of the strategic goals of the Project and the sensitivity of the surrounding environment (i.e. the community). It is understood that the maximum mitigation measures have been assessed which still enable the delivery of a viable Project. These mitigation measures include the feasibility of two haul road options being explored; the REA being located away from the residential area of Blackmans Flat; and a range of management practices and controls to mitigate day to day operational impacts (i.e. noise, dust etc) as far as practical.

Given the history of development around Blackmans Flat the social amenity has been 'overtaken' by the surrounding industry which is now the dominant land use. Therefore despite the importance of these mitigation measures, they are ineffective in addressing the social environment at Blackmans Flat.

In practical terms, these are the only viable scenarios that can be validly assessed. An alternative involving removal of certain elements of the Project (for example, the new haul road) would render the entire project operationally, and by association, commercially, invalid. A proposal that contained mitigation strategies lesser than those proposed in relation to the Project is not feasible, as it does not meet Centennial Coal's statutory and corporate obligations in respect of environmentally sustainable development.

4.4 Options to Manage Identified Social Impacts

There are three strategies that have been explored in an attempt to manage the social impacts arising from the Western Coal Services Project which are summarised below.

The Western Coal Services Project will bring about additional noise, visual and to some degree dust impacts. Mitigation of these impacts has been explored and includes relocation of the REA, alternative alignment of the haul road and relocation of residents within the main residential area of Blackmans Flat.

There is no identified mitigating strategy that can address the pre-existing social impacts that are present within the main residential area of Blackmans Flat. The impact on residential amenity is significant.

If existing projects continue and no further expansion to industry was approved, at best the impact on residential amenity at Blackmans Flat would remain. Consultation with residents has identified the impacts are loss of access to state forest, noise, dust, visual impacts, interrupted sleep, loss of property values and damage to property brought about by vibration from blasting. These impacts have arisen over a number of years brought about by existing land use planning not adequately separating conflicting land uses.

Table 2: Strategy 1: Land Use Conflict

Areas of Concern		SIA Response
Anticipated Outcome	Cause	Management / Control
Noise, dust and visual impacts have adversely affected the residential amenity of Blackmans Flat.	<ul style="list-style-type: none"> Land Use Conflict 	<ul style="list-style-type: none"> No advantage is gained by not approving the Western Coal Services Project because of the significant pre-existing adverse social impacts within the main residential area of Blackmans Flat. Negotiate agreements with residents living in the main residential area of Blackmans Flat (ie those within the primary impact zone of the Western Coal Services Project).

Table 3: Strategy 2: Reject Emplacement Area

Areas of Concern		SIA Response
Anticipated Outcome	Cause	Management / Control
<ul style="list-style-type: none"> Dust and visual impact on Blackmans Flat residents 	<ul style="list-style-type: none"> Reject Emplacement Area (REA). 	<ul style="list-style-type: none"> The REA has been relocated to the south western boundary of the Coal Services site to mitigate noise / dust impacts at Blackmans Flat residential area. The REA may be seen from Blackmans Flat after 10 years of operational life at the proposed south western boundary.

Table 4: Strategy 3: Haul Road Overpass

Areas of Concern		SIA Response
Anticipated Outcome	Cause	Management / Control
<ul style="list-style-type: none"> Noise, Dust and Visual Impact. 	<ul style="list-style-type: none"> Haul Road overpass at Castlereagh Hwy, near Blackmans Flat. 	<ul style="list-style-type: none"> Alternate haul road route investigated (western alignment) which would reduce the number of properties within the impact zone. However a reduction in noise to some properties would not mitigate the social impacts on the remaining properties. Visual impacts could be minimised by locating the haul road on the western alignment and screening via vegetation and paint but again this would not mitigate the social impacts experienced by residents.

4.5 Management Strategy

Centennial Coal recognises that the dominant land use in the immediate vicinity of the Western Coal Services Upgrade Project is industrial. Despite this, the locality of Blackmans Flat is within the zone of affectation for a number of industrial sites operated by various individual companies including the proponent.

Within the main residential area of Blackmans Flat, there are a number of residences where conventional strategies to manage the impacts of noise, dust and a changed visual environment may be difficult to achieve.

On this basis, Centennial has developed, following direct engagement with residents in the main residential area of Blackmans Flat, a strategy to manage the cumulative impacts derived from the various incompatible land uses on these residents.

This strategy will:

1. Mitigate the impacts of the WCS Upgrade Project related to noise, dust and visual amenity on the main residential area of Blackmans Flat;
2. Result in an individual agreement with each private property owner in the main residential area of Blackmans Flat; and
3. Allow for the WCS Upgrade Project to be developed to its full potential and positively contribute to the long term viability of the industry in the region.

5. CONCLUSION

The Western Coal Services Project including the expansion and upgrade of the Springvale Coal Services site will allow for effective coal handling and improved access to the export market, making Centennial Coals stake in this industry more viable. This would bring about social and economic benefits to the local community and broader region through the significant level of investment through capital upgrade and ongoing operation of Centennials projects in the Lithgow LGA.

This outcome is of key importance to community stakeholders and is consistent with the strategic direction of Lithgow City Council's Economic Development Strategy who recognises that mining and power generation has brought about economic benefits to the community, primarily via direct and indirect employment.

The Western Coal Services Project results in a positive social and economic impact to the local, regional community and economy.

The broad and positive social and economic impacts should not overshadow the Blackmans Flat community who are the identified primary area of affectation for this Project. Blackmans Flat is a locality on the eastern boundary of the Springvale Coal Services site. The cumulative impacts of projects around Blackmans Flat have resulted in loss of property values; increased noise, including noise from blasting and truck movements; health issues relating to dust and visual impacts.

Adding to these concerns is the proposed expansion of Pine Dale; nearby ash placement for Delta; proposal by Enhance Place to open cut mine in Ben Bullen State Forest; the allocation of land for a waste disposal facility and the suggested recommendation to zone Blackmans Flat as industrial in the proposed LEP, in recognition of its dominant land use.

Conventional strategies to mitigate noise, dust and visual impacts at Blackmans Flat would therefore be difficult to achieve as they do not address the adverse impact on the residential amenity and quality of life brought about by the proliferation of industry over many years.

Given the existing adverse social impact, Centennial Coal has commenced direct engagement with each private property owner in the main residential area of Blackmans Flat in order to enter into an individual agreement.

The outcome will allow Western Coal Services to be developed to its full potential and positively contribute to the long term viability of the industry in the region.