Appendix H

Socio-economic assessment

APA East Coast Grid Expansion, Moomba to Wilton Pipeline - Modification Report 1

Socio-economic Assessment

Prepared for APA Group
July 2021

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APA East Coast Grid Expansion, Moomba to Wilton Pipeline - Modification Report 1

Socio-economic assessment

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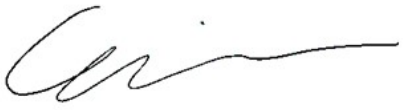

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7 July 2021

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Executive Summary

This socio-economic assessment (SEA) has been commissioned by the APA Group (APA) to address potential socio-economic impacts associated with the construction and operation of two proposed gas compressor stations along the existing Moomba to Wilton Pipeline (MWP).

The new gas compressor stations are proposed at the following locations:

- MW433 – Round Hill approximately 103 km north of Wilcannia; and
- MW880 – Milne approximately 35 km south-west of Condobolin.

The scope of this SEA is to determine the key socio-economic benefits and impacts of the East Coast Grid Expansion (the project) in the local and broader regional context. This SEA has been prepared using the available information through desktop research in conjunction with project information provided by APA. This report provides a high-level assessment of key socio-economic impacts and benefits associated with the proposed project.

The compressor station locations are located within the Central Darling Shire Local Government Area (LGA) and Lachlan Shire LGA. Due to large project area and distance between compressor station sites and local towns, this report focuses predominantly on regional LGAs, and less so on the towns and communities surrounding the proposed compressor stations. However, the town of Condobolin has been identified as a key local community.

The outcomes from the SEA indicate the following:

- The compressor station locations have been selected partly based on their distance from sensitive receptors, including regional towns and private residences, and local impacts will be limited.
- Key benefits include potential economic growth and employment opportunities associated with an increase in job opportunities locally, regionally, and state-wide. Given the comparatively high levels of unemployment within local LGAs, and a regional workforce with resource industry experience, there is potential to employ workers from within the local community.
- The use of the on-site temporary accommodation camp at MW433 for the construction workforce will limit the potential impacts on local accommodation and housing, however there be limited opportunities for local accommodation providers or services.
- The use of local accommodation in Condobolin for the construction workforce at MW880 will create significant economic benefits for local accommodation providers as well as businesses such as restaurants, food suppliers and recreational services.
- APA will engage with local accommodation providers to ensure the provision of short-term accommodation for project use will not negatively impact the capacity of local accommodation providers to serve additional guests.
- APA will require the relevant construction contractor(s) to implement a workforce management strategy that will include measures such as a workforce code of conduct in line with APA's 'Values and Behaviours Guide' to ensure appropriate workforce behaviour.
- Economic and social benefits within the local and regional area will occur through procurement of appropriate goods and services from local businesses, where available. This will create some benefits during construction, and these may continue, but at a lesser level during operations.

- Key benefits of the project include the potential economic growth associated with local, regional, and state-wide procurement. Over 70% of the capital expenditure spent of labour, goods and service is expected to be sourced from within the local, NSW, and Australian markets. It is likely that these economic opportunities will create flow on benefits for the Australian economy as a whole, as well as bringing benefits to the local and regional area.

- Project operation, and the indirect economic benefits of increased capacity of the MWP will provide additional annual gas sales of approximately $262 M per year, based on current market values.

- In the context of the strategic importance of energy supply, increasing the availability of affordable natural gas supply is likely to improve energy security across the country, as well as creating significant economic opportunities within the market.

- Overall, the East Coast Grid Expansion will have a positive impact on local communities and economies as a result of project construction, and there will be several economic and social benefits at the regional, NSW and Australian level.

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1 Introduction

1.1 Background

East Australian Pipeline Pty Ltd, part of the APA Group (APA) currently operates an underground high pressure natural gas transmission pipeline, extending from Moomba (South Australia) to Wilton (New South Wales), a distance of approximately 1,299 kilometres (km). The Moomba to Wilton Pipeline (MWP) is the mainline part of the Moomba Sydney Pipeline (MSP) and was constructed in 1976.

Initially, the pipeline was owned and operated by the Pipeline Authority, a Commonwealth agency, and generally regulated under the *Pipeline Authority Act 1973*. The MWP is now owned and operated by APA; it was gazetted as State Significant Infrastructure (SSI) on 11 December 2020 and is authorised by Pipeline Licence No. 16 (PL16).

The MWP currently operates at a forward haul capacity of approximately 489 terajoules per day (TJ/day) (AEMC 2021).

1.2 Project overview and context

NSW imports the majority of its natural gas from other states and a gas shortfall on Australia's east coast is predicted by Winter 2023, with demand for gas forecast to outstrip supply.

APA is proposing an expansion of gas transportation capacity on its East Coast Grid that links Queensland to southern markets ahead of projected potential 2023 supply risks. Expansion would be through the construction of additional compressions stations and associated works on both the South West Queensland Pipeline (SWQP) and MWP in NSW.

The expansion will be delivered in a number of stages. The first stage of expansion works includes the construction of a single site of compression on each of the SWQP and MWP and will increase Wallumbilla to Wilton capacity by 12%. The first stage is targeted for commissioning in the first quarter of 2023 ahead of forecast southern state winter supply risks identified in the 2021 Australian Energy Market Operator (AEMO) Gas Statement of Opportunities (AEMO 2021).

The second stage of expansion works (an additional site on the SWQP and on the MWP) will add a further 13% capacity and will be staged to meet customer demand.

APA is undertaking engineering and design works on a potential third stage (three additional compressor locations on the MWP) of the East Coast Grid to add a further 25% transportation capacity. All up, these proposed capacity expansions would mean that the entirety of NSW peak demand could be met by gas flowing from northern sources.

The proposed East Coast Grid Expansion (the project) presents an optimal opportunity to maximise gas supply via existing infrastructure with minimal impact.

The five compressor stations for the East Coast Grid Expansion will be constructed at the following locations on the MWP:

- Modification 1:
    - Stage 1:
        - MW880 – Milne approximately 35 km south-west of Condobolin.

- Stage 2:
    - MW433 – Round Hill approximately 103 km north of Wilcannia.

- Modification 2:
    - Stage 3:
        - MW162 – Binerah Downs approximately 68 km north-west of Tibooburra.
        - MW300 – Mecoola Creek approximately 70 km south-east of Tibooburra.
        - MW733 – Gilgunnia approximately 63 km south-west of Nymagee.

This report has been prepared to address the potential socio-economic impacts for Stage 1 and 2 of the expansion works and to support Modification Report 1. As such, only the socio-economic impacts at MW433 and MW880 have been assessed in this report. A separate report will be prepared to support Stage 3 in Modification Report 2.

The proposed locations of compressor stations on the MWP are shown in Figure 1.1.

1.3 Report purpose and methodology

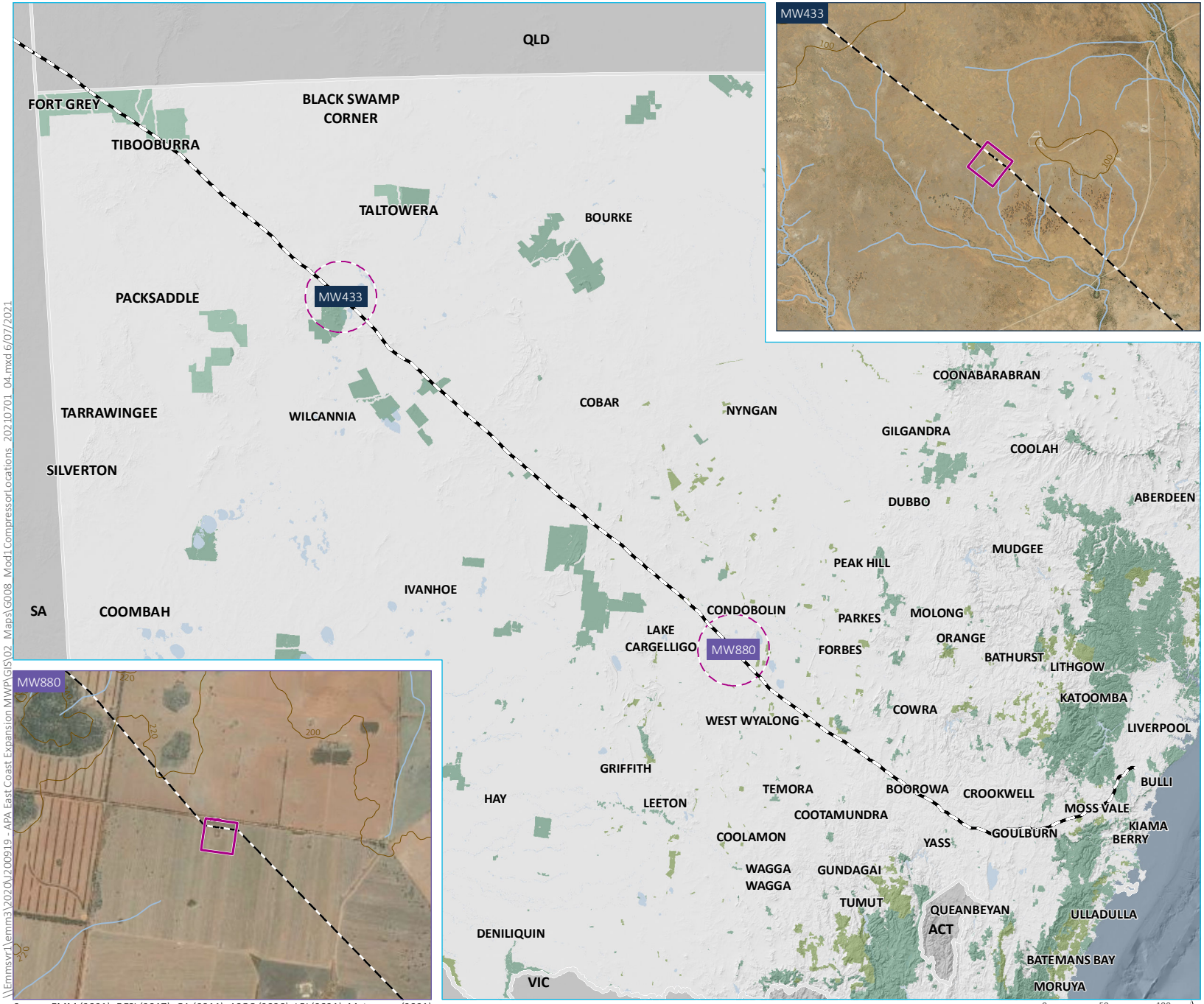
APA is seeking approval for the project through a modification process under Section 5.25 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

EMM Consulting Pty Limited (EMM) has been engaged to prepare a socio-economic assessment (SEA) for the construction and operation of the project. This broad scale desktop assessment has been prepared to determine the key socio-economic benefits and impacts of the project in the local and broader regional context in accordance with guidance provided by the NSW Department of Planning, Industry and Environment (DPIE).

The assessment includes:

- a review of the existing social environment surrounding the project sites;
- a desktop assessment of potential socio-economic impacts and benefits including:
    - project workforce;
    - housing and accommodation;
    - regional access to gas supply;
    - local and regional procurement; and
    - employment opportunities;
- a summary of the project's community consultation and engagement including:
    - key issues and concerns raised during consultation; and
    - any stakeholder engagement plans that have been devised.

This SEA has been prepared using the available information through desktop research in conjunction with project information provided by APA. This report provides a high-level assessment of key socio-economic impacts and benefits associated with the proposed project.



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Source: EMM (2021); DFSI (2017); GA (2011); ASGC (2006); LPI (2021); Metromap (2021)

Proposed location of compressor stations on the MWP

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Figure 1.1

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2 Project description

2.1 Compressor station details

The East Coast Grid Expansion in NSW will be facilitated by the construction of five compressor stations along the length of the MWP. This modification report addresses the construction and operation of two compressor stations: Stage 1 (MW880) and Stage 2 (MW433).

Each compressor station will include:

- an enclosed gas turbine driven compressor unit;
- microturbine;
- compressor inlet/scrubber;
- a control equipment building;
- two fuel gas skids;
- air compressors and receivers;
- associated piping, electrical equipment, instrumentation, and controls;
- a station vent; and
- small accommodation and maintenance buildings for operations.

All facilities will be installed on driven piles or supported on structural steel skids over gravel sheeting, with the exception of the accommodation and maintenance buildings which will be constructed on a concrete slab.

Both of the proposed sites for the compressor stations are on land owned by APA, with MW433 being approximately 380 m x 400 m with an area of 15.5 hectares (ha), and MW880 being approximately 400 m x 400 m with an area of 16 ha. The compressor station will have a final footprint of approximately 1.5 ha.

2.1.1 Construction

Each compressor station will require a construction footprint of approximately 3.5 ha, which will be reduced to approximately 1.5 ha for operations.

At MW433, the temporary construction workforce required to build the compressor station will be accommodated in a temporary accommodation camp, with mobilisation and demobilisation of the workforce to and from Broken Hill airport for each roster. The temporary accommodation camp will measure approximately 100 m x 100 m, with an additional 100 m x 100 m for waste water treatment. A smaller accommodation unit for operations will be included within the operational footprint on the compressor station.

At MW880, there are two options for the accommodation of the construction workforce. The preferred option is to house the workforce in short-term accommodation in Condobolin (42 km by road from the site), with potential overflow accommodation in West Wyalong (85 km by road from the site), if required. Workers will be driven to and from site each day, with between one and four buses and between five and eight cars required per day, depending on workforce numbers. The alternative option is to use a temporary accommodation camp on site (as per MW433), where mobilisation and demobilisation of the workforce will be to and from Dubbo airport for each roster.

Waste water from the construction camp (if used) will be treated and disposed of via spray irrigation on site.

Construction materials and supplies (including food and services for the temporary accommodation camps) will be sourced from relevant suppliers and transported to site. APA will use local suppliers where practicable.

At MW880, water will likely be purchased under a commercial arrangement from Lachlan Shire Council, or another local provider and transported to site by 25 kilolitre (kL) water truck. At MW433, there are two options for water supply – accessing groundwater on site, and/or purchasing water under a commercial arrangement from a local water provider and transporting it to site by 25 kL water truck. APA is investigating options to access groundwater under the relevant water sharing plans and regulations. If accessing groundwater at MW433 is feasible, then all regulatory requirements for water licences will be met, and any further assessments and approvals will be undertaken and applied for prior to water abstraction. If accessing groundwater is not feasible for all or part of the project, then the commercial purchase and transport will become the default water supply option.

The majority of construction activities will take place between 7:00 am and 6:00 pm, seven days per week. During the commissioning phase, activities will also take place between 7:00 am and 6:00 pm, seven days per week, however for the final two weeks, commissioning activities will be 24-hours per day.

i Construction activities

Construction of the compressor stations will include the following activities:

- mobilisation of construction equipment;
- establishment of access (where required);
- establishment of construction camp accommodation and associated facilities;
- establishment of access to water supply;
- site bulk earthworks including build up to match existing levels;
- installation of steel piles;
- installation of all equipment items, skids and buildings;
- installation of associated steel structures, prefabricated piping, electrical equipment, instrumentation and controls;
- supply and install communication and controls infrastructure;
- demobilisation of construction equipment;
- rehabilitation of temporary disturbance areas; and
- pre-commissioning and commissioning of compressor station.

ii Workforce

The construction of the compressor stations will require an average workforce of 40 with a peak of 80 personnel over the 12-month period. All roles are likely to be drive-in-drive-out (DIDO) or fly-in-fly-out (FIFO) and based at the construction camp when on site. The anticipated roster is three weeks on followed by one week off on a rotational basis.

There are expected to be five contracts put out to tender for the construction and commissioning of the compressor stations:

- earthworks and civil works;
- establishment of the construction camp and associated waste water treatment system;
- piling;
- structural, mechanical, piping, electrical and instrumentation construction (SMPEI); and
- compressor station pre-commissioning and commissioning.

In addition to the contractor workforce, APA will have a project team on site to manage the works.

The anticipated workforce associated with each contract is outlined in Table 2.1 below.

Table 2.1 Construction and commissioning workforce

Entity	Average workforce	Peak workforce
APA Project Team	4	10
Earthworks	10	15
Piling	6	6
SMPEI	30	50
Construction Camp	8	16
Pre-commissioning and Commissioning	10	14

The anticipated workforce distribution over the 12-month construction and commissioning program is presented in Table 2.2.

Table 2.2 Monthly construction and commissioning workforce distribution

1	2	3	4	5	6	7	8	9	10	11	12
20	28	28	37	47	65	68	59	49	39	18	18

2.1.2 Operation

i Activities

The compressor stations are designed to operate remotely without onsite staff for most of their working life. They will be operated remotely from APA's control centre in Brisbane, and can operate up to 24 hours per day, seven days per week.

Typical operations activities will involve minor maintenance, calibrations, inspections, equipment performance checks, or equipment repair if needed. Operation activities will be typically carried out during daylight hours, unless an emergency requires urgent works at night. Site personnel will carry out inspections ranging from daily inspections to more rigorous inspections that may vary from one month to 4 years apart, dependent on the works. Detailed maintenance plans will be prepared for all sites.

Regulatory compliance checks will be carried out on different equipment as prescribed in applicable standards but will typically vary from one to four-year intervals subject to the equipment types. Compliance checks may include emissions testing, hazardous area compliance assessments, pressure vessel inspections, and electrical safety checks.

Major services and engine overhauls will be carried out at five-to-ten-year intervals subject to equipment condition, manufacturer's recommendations and run hours.

Once complete, the compressor stations will have an average design life of approximately 25 years. APA will continue to monitor the condition of equipment up to and beyond the end of life to ensure equipment is sound and fit for further service. Continued operation beyond the nominal design life will be subject to specific equipment condition and plant fitness assessments. The compressor station will be decommissioned when there is no further economic potential to continued use.

ii Workforce

The compressor stations are designed to operate as unmanned facilities. The typical site workforce for operation activities is expected to be one to two people.

Larger groups of up to five people associated with major services or overhauls will be required to minimise the time the compressor station is offline.

The operations workforce will comprise existing APA employees, who are unlikely to be resident locally. Additional specialist servicing will be carried out by a mix of local contractors and interstate/ international based depending on the complexity of the task.

3 Socio-economic environment

3.1 Socio-economic area of influence

This SEA addresses the potential socio-economic impacts and benefits of the project to the local area, region, and State.

The compressor station locations have been selected partly based on their distance from sensitive receptors, including regional towns and private residences. The selected sites along the MWP are located between 35 km and 100 km from regional towns, and approximately 1.5 km to 5 km from local landholder properties.

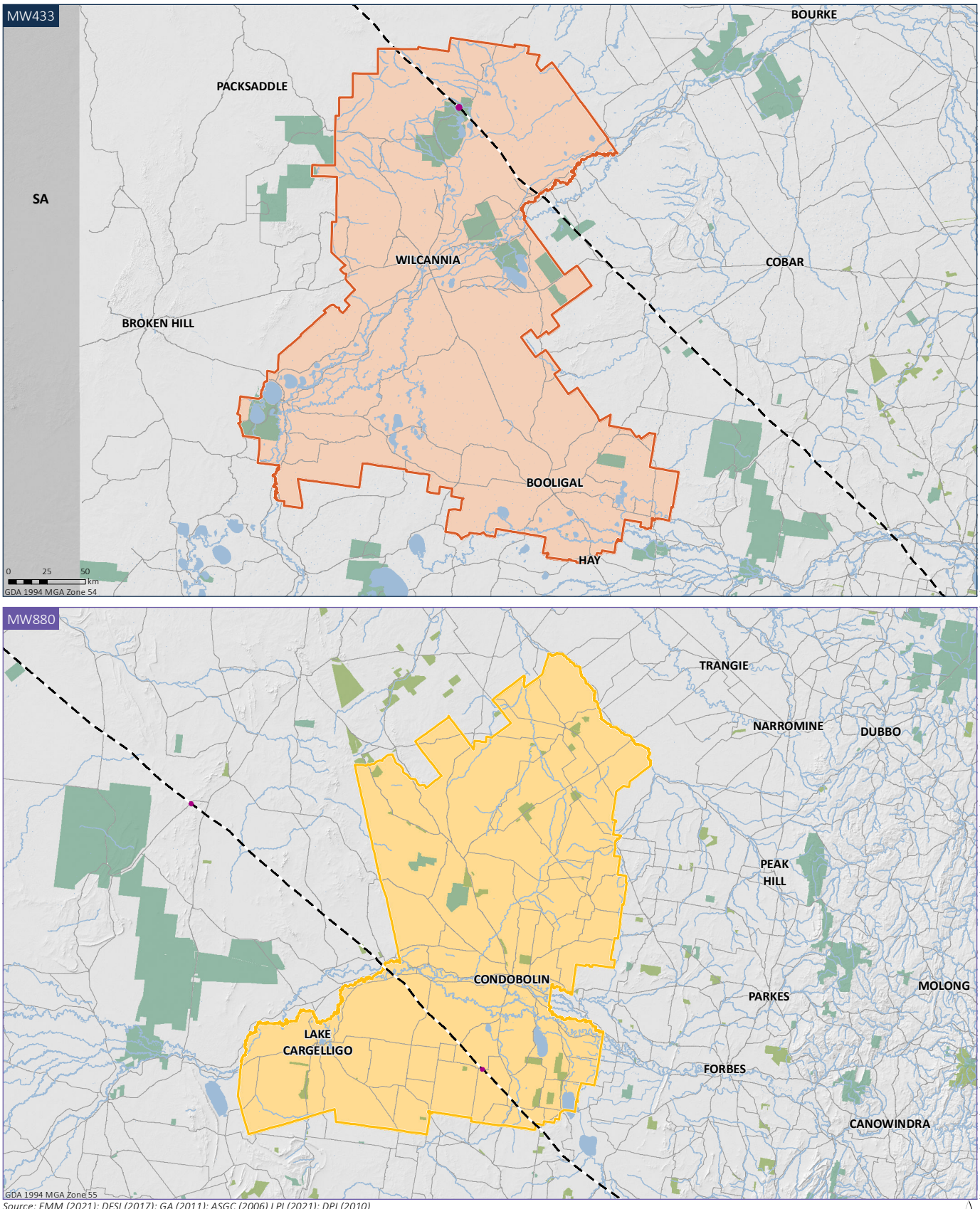
The socio-economic area of influence (the study area) for this SEA is the Central Darling Shire Local Government Area (LGA) and the Lachlan Shire LGA, where the compression stations are located. Due to the large project area and distance between each site location and between the compressor station sites and local towns, this report will focus predominantly on regional LGAs. However, key towns and communities suggested for local accommodation surrounding the proposed compressor stations, such as Condobolin and West Wyalong will also be discussed in Section 4.2.

The socio-economic are of influence is presented in Figure 3.1.

3.2 Socio-economic baseline

Communities within the study area have been recognised as diverse, self-reliant, and forward-looking within the *Far West Regional Plan 2036* (DPIE 2017a), and as vibrant communities with prosperous centres within the *Central West and Central Orana Regional Plan 2036* (DPIE 2017b).

Located between approximately 400 and 1,000 km west and north-west of Sydney, the study area is predominately characterised as a rural and remote area with a total population of 8,027 (ABS 2016). The top three industries of employment across the two LGAs are agriculture, forestry and fishing; government administration and defence; and education. Unemployment within the study area (9%) is high in comparison to broader NSW (6.6%), particularly in Central Darling Shire LGA where the unemployment rate is the highest in the study area (11.2%).



Source: EMM (2021); DFSI (2017); GA (2011); ASGC (2006) LPI (2021); DPI (2010)

KEY

- Compressor site
- Moomba to Wilton pipeline
- Central Darling Shire LGA
- Lachlan Shire LGA
- Major road
- Watercourse
- Waterbody
- NPWS reserve
- State forest

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Socio-economic study area

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Figure 3.1

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A brief summary of the existing socio-economic environment within the study area is provided in Table 3.1.

Table 3.1 Existing socio-economic environment summary

LGA	ABS 2016 Census QuickStats	
Lachlan Shire	Total population	6,194
	Median age	40
	Unemployment rate	6.8%
	Top industries of employment	Agriculture, Forestry and Fishing
		Government Administration and Defence
		Education
Central Darling Shire	Total population	1,833
	Median age	39
	Unemployment rate	11.2%
	Top industries of employment	Agriculture, Forestry and Fishing
		Education
		Government Administration and Defence

Source: ABS 2016 *Census QuickStats*

3.3 Regional plans

The Far West Regional Plan and Central West and Orana Regional Plan are both 20-year strategies for the development of western NSW. The Far West Regional Plan covers the Central Darling LGA where MW433 is located, and the Central West and Orana Regional Plan covers the Lachlan LGA where MW880 is located. The plans have been developed by DPIE and provide insight towards the land use planning priorities and the future of the Far West and Central West regions. These plans have been used to inform the context of the project and this socio-economic assessment.

i Far West Regional Plan 2036

The Far West Regional Plan, which is supported by the local LGAs, is representative of the existing environment and provides context to the regional gas and resource industry in the Central Darling LGA.

The plan has three core goals:

- A diverse economy with efficient transport and infrastructure networks. Despite its relatively small population, the Far West is a significant regional economy. The economy is centred on agriculture and mining, which directly contribute almost 40% to the Far West's economy. However, with most communities largely focused around one industry, such as mining or agriculture, they can be more vulnerable to economic downturns. The regional plan aims to promote the efficient use of infrastructure and cluster compatible land uses in the right places to support the region's competitiveness and productivity.

- Exceptional semi-arid rangelands traversed by the Barwon-Darling River. The Far West has some of the most exceptional natural landscapes in Australia, which have special significance for both Aboriginal and non-Aboriginal people. The natural environment and landscape support economic activity and must be managed sustainably. It is these landscapes that give the Far West its distinctive character and lifestyle. Improved management of environmental assets will allow them to be enjoyed in the future.

- Strong and connected communities. The region's success is linked to the strength and character of its communities. Building community resilience and capacity requires strong networks between communities and with key centres in adjoining regions, states and beyond. The region enjoys many competitive advantages and community assets, such as cultural and heritage attractions, its lifestyle and environment, and specialised services and products. The Central Darling LGA and the Unincorporated Area will see a slight increase in their population, with other local government areas expected to see numbers stabilise or slightly decline. These numbers do not reflect the dynamic nature of many communities with high levels of transient workers, tourists and populations that fluctuate at different times of the year.

ii Central West and Orana Regional Plan 2036

The Central West and Orana Regional Plan, which is supported by the local LGAs, is representative of the existing environment and provides context to the regional gas and resource industry in the Lachlan LGA.

The plan has four core goals:

- The most diverse regional economy in NSW. The Central West and Orana's broad range of industries, its location and connections to Sydney, Canberra and Newcastle provide a foundation for a diverse regional economy. While traditionally anchored in agriculture, manufacturing and mining, the region's health, education and tourism sectors present new opportunities for economic growth. Opportunities are also emerging in food production and packaging, aged care and related services, renewable energy and niche tourism. Growth across this range of sectors will be carefully managed and planned to provide greater land use compatibility.

- A stronger, healthier environment and diverse heritage. The Central West and Orana's distinctive natural environment includes some of Australia's most unique ecological systems. The region's waterways and water resources, including the Macquarie and Lachlan rivers, underpin the health of the natural environment. They also provide essential water to the community and support water-based recreational activities. The natural environment enhances the lifestyle of residents; provides clean air and water along with attracting investment and tourism. Innovative ways to manage water, harness renewable energy and prepare for natural hazards will build regional resilience and improve adaptation. Land use and infrastructure planning must respond to these risks.

- Quality freight transport and infrastructure networks. The Central West and Orana's transport connections extend across NSW and provide a competitive advantage to maximise economic growth and productivity. New development should be located to take advantage of existing or planned infrastructure. The design of infrastructure should accommodate, whenever possible, the capacity for cost-effective expansion to maximise the efficient use of land, reduce costs and limit environmental impacts.

- Dynamic vibrant and healthy communities. The Central West and Orana is home to some of the most diverse communities in NSW, and their distinctive character is a significant competitive advantage. Over the next 20 years the region will experience changes to agricultural productivity; freight and transport connections; water trading and regulation; climate; and economic or market conditions. These changes have the potential to reshape communities and urban centres.

4 Socio-economic impact assessment

4.1 Workforce and employment

4.1.1 Construction

The project's construction workforce is likely to be comprised of a mix of local employees from surrounding regional communities, and FIFO and DIDO employees primarily from Sydney and other NSW locations, due to the remoteness of the site and the highly specialised nature of the work. It is anticipated that a significant proportion of the project's overall workforce will be sourced from within NSW, ensuring that employment opportunities and related economic benefits remain within the State.

While the FIFO-DIDO workforce is unlikely to create opportunities for socio-economic benefits through direct employment within the local area, the project is likely to procure a range of services from local businesses to support the construction process. These are likely to include services such as earth moving, fencing, and supply of water and food at the proposed construction camps.

At MW433, workforce related social impacts to the community will not occur due to the remote location of the workforce. At MW880, the workforce will be housed in existing local short-term accommodation such as hotels, motels and caravan parks at Condobolin (and West Wyalong, if required). This accommodation strategy is expected to bring significant direct economic benefits to local accommodation providers, as well as flow-on economic opportunities for businesses such as food, drink and recreation providers.

Therefore, the construction workforce is likely to have a small positive impact on local employment and business, and a larger positive impact on Australian and NSW employment.

4.1.2 Operation

Following the construction of the compressor stations, the workforce required for the operation and maintenance of the project will be minimal and likely consist of APA's existing operational workforce. Some local employment may occur with local companies providing appropriate services such as fencing and weed management.

Therefore, the operational workforce will have limited impacts on local, NSW or Australian employment.

4.2 Housing and accommodation

4.2.1 Construction

At Round Hill (MW433), the temporary construction workforce required to build the compressor station will be accommodated in a temporary accommodation camp, with mobilisation and demobilisation of the workforce to and from Broken Hill airport for each roster.

At MW880, there are two options for the accommodation of the construction workforce. The preferred option is to house the workforce in short-term accommodation in Condobolin (42 km by road from the site), with potential overflow accommodation in West Wyalong (85 km by road from the site), if required. Workers will be driven to and from site each day, with between one and four buses and between five and eight cars required per day, depending on workforce numbers. The alternative option is to use a temporary accommodation camp on site (as per Round Hill), where mobilisation and demobilisation of the workforce will be to and from Dubbo airport for each roster.

i On-site workforce accommodation camps

At MW433 (and as a secondary option at MW880), FIFO-DIDO employees will be entirely accommodated within the temporary accommodation camps. The proposed temporary accommodation camps will be entirely self-contained featuring dining, leisure, and recreational facilities onsite. Workers will likely stay on-site during their shifts and are not expected to travel to and from local towns. Procurement of services and food is likely from local businesses where practicable.

Use of on-site worker accommodation at each of the sites will avoid any potential impacts to local housing and accommodation availability and affordability, as the project's workforce will not require local accommodation. Use of on-site workforce accommodation will also alleviate concerns regarding workplace health and safety associated with driver fatigue and exhaustion amongst employees.

Therefore, the likely impact of project construction on housing and accommodation if on-site temporary accommodation camps are used will be negligible.

ii Local temporary accommodation in Condobolin

Condobolin has been identified as the preferred town to house the construction workforce for MW880 in local, short-term accommodation, as it is 35 km from the site, with an approximate 30 min travel time via The Gipps Way.

During construction, the average workforce will be 40, with a peak of 65-68 for approximately two months (Table 2.2). It is assumed that workers will require a private bedroom with air conditioning and a private ensuite bathroom. Therefore, the accommodation strategy is based on one room per worker.

Preliminary consultation with local accommodation providers in March 2021 identified five potential accommodation options in Condobolin, including motels, hotels and caravan parks, with a maximum combined capacity of approximately 79 rooms (Table 4.1).

Table 4.1 Condobolin local accommodation capacity and availability

Name	No. of rooms	Availability (April/March 2021)	No. of rooms willing to rent to the project long term*	Do rooms have AC & private ensuites?	Restaurant?
Allambie Motel	25	23	15	Yes	No
Condobolin Motor Inn	21	19	15	Yes	Yes
Condobolin Hotel Motel	8	4	6	Yes	Yes
Railway Hotel	20	15	10	Yes	Yes
Riverview Caravan Park	5	0	(21 powered sites)	-	-
Total	79	61	46	-	-

Note: Long term refers to the full 12 month anticipated construction period from March 2022 – March 2023

The availability amongst accommodation providers at the time of consultation was approximately 77%, or 61 rooms. Given the approximate 12- month construction and commissioning phase from March 2022 to March 2023, accommodation providers stated that they would be willing to hire out a collective total of 46 rooms to the project on a long-term basis over the construction period.

With a likely peak construction workforce of 68 (conservatively estimated to be 80), and the available local accommodation capacity for 46 workers, there would be an anticipated shortfall of at least 22 rooms in Condobolin.

During additional consultation with local accommodation providers undertaken in May 2021, further capacity was identified at the Riverview Caravan Park. The caravan park is owned by the Lachlan Shire Council and offers short-term accommodation for a maximum period of two months. Consultation identified that the caravan park would be willing to provide 21 powered sites for use as workforce accommodation for a period of two months.

Transportable temporary accommodation could be located on these sites, housing up to 42 individuals in two-bedroom cabins. This would increase the accommodation capacity from 46 to 88, mitigating any shortfalls during the two-month workforce peak. The location of the caravan park on The Gipps Way, south of Condobolin will also help to mitigate any potential traffic impacts associated with local workforce travelling through Condobolin town centre. Further consultation between APA and Lachlan Shire Council is recommended to clarify regulatory requirements regarding short-term accommodation use at Riverview Caravan Park.

If capacity forecasts change, or APA is unable to use Riverview Caravan Park, West Wyalong has been identified as a potential secondary location to accommodate any additional workers that cannot be accommodated in Condobolin. While Condobolin has been identified as the preferred workforce accommodation location due to its proximity, West Wyalong has a further 18 local temporary accommodation providers and is likely to have sufficient capacity for any workforce that cannot be accommodated in Condobolin.

Potential impacts associated with using local temporary accommodation to house the project workforce includes straining the capacity of local accommodation providers. This could have flow-on negative impacts on local tourism and long-term accommodation users by taking up additional capacity. In addition, the presence of a non-resident workforce could have potential negative impacts on the local community as a result of anti-social behaviour in the town.

In order to minimise impacts and maximise benefits, APA will consistently engage with accommodation providers as the project develops to ensure the provision of short-term accommodation to APA does not negatively impact the capacity of local accommodation providers to serve additional and/or regular guests. In addition, APA will require the relevant construction contractor(s) to implement a workforce management strategy that will include measures such as a workforce code of conduct in line with APA's 'Values and Behaviours Guide' to ensure appropriate workforce behaviour, and to prevent any negative impacts to the community as a result of ant-social behaviour.

Overall, the use of local accommodation is likely to create economic benefits for local accommodation providers, as well as businesses such as restaurants, food suppliers and recreational services. The project workforce is likely to spend money in Condobolin if they are housed in the town.

4.2.2 Operation

The compressor station compound will include a small permanent accommodation to house any operational or maintenance workers.

Therefore, the likely impact of project operations on housing and accommodation will be negligible.

4.3 Local and regional procurement and economic investment

APA will use local and regional NSW based businesses and suppliers where practicable, for both the construction and operation stages of the project.

4.3.1 Construction

The estimated total capital expenditure for each compressor station site will be approximately AUD$61.5 million (M) per site.

Of this, about $1.5 M will be spent on labour, goods and services from the local region, $42 M will be spent in the rest of NSW and Australia (outside of the local region) and $18 M will be spent internationally.

There will likely be opportunities for the project to acquire goods and services directly from the regional area during the construction phase, including:

- goods and services for construction camps, such as food and drink supply, waste management and cleaning services;
- fuel;
- vehicle and equipment servicing;
- consumables; and
- additional support from local contractors such as vegetation management and rehabilitation, water cartage and traffic management where required.

Developing and implementing a local procurement strategy is likely to increase local, regional and state-wide socio-economic benefits associated with the project. However, any short-term economic benefits generated by local and regional procurement strategies are likely to reduce significantly following the completion of the project's construction phase. APA values diversity and recognises the importance of regional engagement. During the procurement phase, APA will gather information from construction tenderers such as proportions of Indigenous employees, local employees and gender inclusivity of employees to assist in its procurement process. This information will be considered when awarding contracts.

4.3.2 Operation

Once the construction phase is complete, the annual project expenditure during operations is expected to be $250,000 per site, per year.

In addition to direct economic impacts during construction, project will increase the capacity of the MWP by 25% (120 TJ/day) over Stages 1 and 2. Current gas prices in NSW as of March 2021, are approximately $6/GJ (AER 2021), therefore an increase of 120 TJ per day would increase gas sales by $720,000 per day, or $262 M per year.

Project construction will have a positive economic impact on the local and regional area, however this will be limited by the services and expertise available.

Project operation, and the indirect economic benefits of increased capacity of the MWP will provide additional annual gas sales of approximately $262 M per year, based on current market values.

As with the construction phase, project operation will have a positive economic impact on the local and regional area, however this will be limited by the services and expertise available.

4.4 Management measures

APA will continue to develop its workforce procurement strategies for the project's construction phase, and will continue to enforce codes of workforce behaviour, including the 'APA Values and Behaviours Guide'. These strategies and processes will help to limit any potential negative impacts on local communities.

The following commitments will reduce negative impacts and enhance positive benefits related to the project:

Table 4.2 Socio-economic commitments

Stage	Commitment ID	Commitment
Design Construction Operation	SE-01	The existing stakeholder engagement plan will continue to be implemented to facilitate ongoing consultation with relevant stakeholders, including local businesses, throughout the project so that stakeholders have access to information regarding the nature of the proposed project activities and their likely impacts.
Construction Operation	SE-02	A Local Industry and Indigenous Participation Plan will be developed with theintention of promoting local, regional and Indigenous business and employment opportunities associated with the project.
Construction	SE-03	Local accommodation providers and Lachlan Shire Council will be consulted once construction schedules for MW880 have been confirmed to determine the availability and capacity of appropriate accommodation.
Construction	SE-04	During consultation, accommodation providers will nominate the proportion of their accommodation capacity to be used by the project. If capacity across all providers in Condobolin is reached, additional accommodation will be procured in consultation with local providers in Condobolin and West Wyalong.
Design Construction	SE-05	APA will require the appointed construction contractor to implement a workforce management strategy, and will use the 'APA Values and Behaviours Guide' to ensure appropriate workforce behaviour.
Construction Operation	GE-04	A complaints management system will be put in place that documents: • name of persons receiving complaint; • name of person making the complaint; • date and time of complaint; • nature of the complaint; • actions taken to rectify; • actions to minimise risk of reoccurrence; and • name of person(s) responsible for undertaking the required actions.
Construction Operation	GE-06	Nearby landholders will be provided a dedicated point of contact for the duration of the project.

5 Strategic importance of gas

The project is anticipated to generate significant economic benefits and strategic energy security throughout NSW and the wider east coast of Australia by increasing the capacity of the MWP through the proposed five new compressor stations in a three-staged approach.

The Australian Pipeline and Gas Association (APGA 2021) states that natural gas provides a similar amount of energy to Australian households as electricity, and is used for general heating, hot water, and cooking. As such, natural gas is currently a high in demand resource throughout the country, used for a variety of household and commercial uses. However, current demand for natural gas along Australia's east coast is growing at a rate that is predicted to surpass the current supply by winter 2023 (AEMO 2021). A shortage of natural gas supply has the potential to cause significant economic and social impacts throughout NSW and Australia, potentially having a negative impact on a large proportion of the population on an everyday basis.

The project is predicted to increase the capacity of the MWP by up to 120 TJ/day, supplying NSW and Victoria with additional natural gas. Economic benefits associated with continuation of the sale and supply of locally derived natural gas will be significant. In addition, there will be a flow-on effect of socio-economic benefits associated with the security of supply for Australia's east coast as a result of access to reliable sources of natural gas in line with anticipated future demands.

5.1 Federal gas-fired recovery strategy

In September 2020, the Federal Government published a media release detailing the importance of a gas-fired recovery aimed at re-establishing and solidifying Australia's economy following the 2020 COVID-19 recession (Australian Government 2020). Consultation on the gas-fired recovery plan aims to develop the National Gas Infrastructure Plan (NGIP) which will identify priority pipelines and critical infrastructure such as compression facilities, storage facilities and LNG import terminals. As a first step, an interim NGIP will be developed which will focus on infrastructure projects that can address emerging southern supply constraints (DISER 2020).

Natural gas currently accounts for approximately 25% of primary energy use and about 20% of electricity generation in Australia. The rapid retirement of coal means Australia will increase reliance on gas to provide energy security to industry while providing a stable framework for transition to renewables.

The Federal Government has committed to supporting the presence of gas in the market, boosting gas transport networks, and empowering consumers to develop a competitive and robust gas industry, whilst minimising both costs and emissions.

The East Coast Grid Expansion project offers an ideal opportunity to use existing infrastructure to facilitate and maximise these potential benefits.

5.2 Federal Energy Security strategy

Within the Australian context, energy security is defined as 'the adequate, reliable and competitive supply of energy to support the functioning of the economy and social development' (DRET 2011). The Australian Government has recognised the need to promote energy security and undertake energy security assessments to better understand the risks associated with the adequacy, reliability, and affordability of energy in Australia (DISER 2021). The most recent national energy security assessment, conducted in 2011, found that Australia's energy environment is adequate (Department of Resources, Energy and Tourism 2011).

However, the report identified several issues, namely the transition to reduce greenhouse emissions and energy price pressures that have the potential to implicate the maintenance of Australia's energy security in the long term. Additionally, the report was published 10 years ago, and major changes and shocks within energy supply chains, which have been observable during the COVID-19 pandemic, were recognised as a key concern regarding the maintenance of energy security.

As a result, there is an identified need to encourage supply diversity, interconnection, and efficient markets to establish Australia's energy security and resilience (DRET 2011). The East Coast Expansion will contribute to meeting all of these key goals by increasing the availability of natural gas available for consumption nationwide.

5.3 Gas off-take opportunities

The MWP has several locations where an off-take is used to deliver gas to local users. The East Coast Grid Expansion will continue to provide energy security to those direct users, and allow new users to enter into agreements to gain access to the pipeline for secure, direct delivery of gas. This will continue to provide security of supply to existing and proposed industry.

6 Stakeholder consultation and engagement

6.1 Stakeholder engagement plan

A stakeholder engagement plan (SEP) has been prepared for the project by APA to outline the project's approach to stakeholder engagement. This plan includes an overview of consultation objectives, consultation principles, key issues, and key stakeholders (APA 2021). Establishing a comprehensive plan for the project's stakeholder engagement will facilitate:

- the engagement approach remains relevant throughout the project;
- statutory requirements and expectations are met;
- the community and key stakeholders remain informed of the project;
- APA understand and incorporate community feedback and key issues into the design of the project; and
- the East Coast Grid Expansion project is successfully completed in line with the priorities and values of key stakeholders.

6.2 Stakeholder identification

Initial stakeholder identification has focused on the following key groups which APA have committed to ongoing consultation and engagement with throughout the life of the project:

- Commonwealth Government agencies;
- State Government agencies;
- local government agencies;
- Federal, State and locally elected representatives;
- directly affected local landholders;
- neighbouring and adjacent landholders;
- private businesses;
- utility operations and providers;
- local communities, community groups, emergency services and environmental groups; and
- Aboriginal representative groups.

Table 6.1 outlines the key project stakeholders included in the SEP in further detail.

Table 6.1 Key project stakeholders

Stakeholder Group	New South Wales
Government Stakeholders	
Commonwealth Government Agencies	Department of Agriculture, Water and the Environment
State Government Agencies	• Department of Planning, Industry and Environment • Transport for NSW including Roads and Maritime Services • Heritage NSW • Biodiversity Conservation Division (BCD) • NSW National Parks and Wildlife Service • Local Land Services
Local Government	• Central Darling Shire Council • Lachlan Shire Council
Elected Representatives	• Federal Member - Member for Parkes • State Members – Member for Barwon; Member for Orange
Landholders (Directly affected)	Owners or leaseholders of land directly affected by the proposed project. Compressors on APA owned land.
Neighbouring landowners	Neighbouring owners and occupiers of land impacted by the project. Access to land through neighbouring properties.
Private businesses and accommodation providers	Various private businesses within the broader project region including within towns close to the project. Specifically, those accommodation providers and related businesses in Condobolin and West Wyalong where project workforce may be accommodated.
Utility owners/operations	Telstra (land adjoining proposed sites)
Local communities, community groups, emergency services, environmental groups and general public	Landholders, tenants, residents, and community groups in the following local government areas: • Central Darling • Lachlan
Aboriginal representative groups	• Barkandji Native Title Group • Wilcannia Local Aboriginal Land Council (LALC) • Condobolin LALC • Bundyi Aboriginal Cultural Knowledge • Wiradjuri Condobolin Corporation

6.3 Stakeholder engagement

Stakeholder engagement activities have been and will continue to be delivered through a variety of communication tools and approaches, including through both face-to-face and remote consultation methods (APA 2021). Communication methods will likely include information sheets, face-to-face and video conference meetings, stakeholder presentations, presence at community events, media releases, a dedicated project webpage, phone calls, and an APA phone line and email address. APA will also employ their standard media, crisis communications, complaints management and corporate communications strategies and protocols to the project.

Initial consultation and engagement activities have been undertaken by APA and will continue throughout the planning, construction, and operational phases of the project. Lachlan Shire Council and Central Darling Shire Council both raised the matter that although they appreciated being briefed on the project, they felt as though they would have little input.

Key landholders surrounding the project sites have been consulted with, and APA have noted that no issues or concerns have been raised. Further consultation and engagement will be undertaken to gain a more comprehensive understanding of stakeholder interests and key issues, and to provide relevant stakeholders with access to information regarding the nature of the proposed project activities and their likely impacts. These key issues will be used to inform any social impact mitigation strategies if required, and ongoing stakeholder engagement.

7 Conclusion

EMM has undertaken this socio-economic assessment for the APA East Coast Grid Expansion to address potential socio-economic impacts and benefits associated with the project. The SEA has considered potential impacts and benefits during both the construction and operational phases of the project and has been prepared in accordance with guidance from DPIE.

The assessment has considered potential socio-economic impacts associated with the following key areas:

- workforce and employment (Section 4.1);
- housing and accommodation (Section 4.2);
- local and regional procurement (Section 4.3); and
- regional access to gas supply (Chapter 5).

Key benefits identified include potential economic growth and employment opportunities associated with an increase in job opportunities locally, regionally, and state-wide. Given the comparatively high levels of unemployment within local LGAs, and a regional workforce with resource industry experience, there is potential to employ workers from within the local community.

The use of the on-site temporary accommodation camp at MW433 for the construction workforce will limit the potential impacts on local accommodation and housing, however there be limited opportunities for local accommodation providers or services.

The use of local accommodation in Condobolin for the construction workforce at MW880 will create significant economic benefits for local accommodation providers as well as businesses such as restaurants, food suppliers and recreational services.

APA will engage with local accommodation providers to ensure the provision of short-term accommodation for project use will not negatively impact the capacity of local accommodation providers to serve additional guests.

APA will require the relevant construction contractor(s) to implement a workforce management strategy that will include measures such as a workforce code of conduct in line with APA's 'Values and Behaviours Guide' to ensure appropriate workforce behaviour.

Economic and social benefits within the local and regional area will occur through procurement of appropriate goods and services from local businesses, where available. This will create some benefits during construction, and these may continue, but at a lesser level during operations.

Key benefits of the project include the potential economic growth associated with local, regional, and state-wide procurement. Over 70% of the capital expenditure spent of labour, goods and service is expected to be sourced from within the local, NSW, and Australian markets. It is likely that these economic opportunities will create flow on benefits for the Australian economy as a whole, as well as bringing benefits to the local and regional area.

In the context of the strategic importance of energy supply, increasing the availability of affordable natural gas supply is likely to improve energy security across the country, as well as creating significant economic opportunities within the market.

Project operation, and the indirect economic benefits of increased capacity of the MWP will provide additional annual gas sales of approximately $262 M per year, based on current market values.

Overall, the East Coast Grid Expansion will have some positive impact on local communities and economies as a result of project construction, and there will be several economic and social benefits at the regional, NSW and Australian level.

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