Monday, February 11, 2019

Independent Planning Commission NSW
John Hann, Chair of IPC Panel for the Vickery Extension Project
Level 3, 201 Elizabeth Street
SYDNEY NSW 2000

E-mail: ipcn@ipcn.nsw.gov.au

Re. Council’s submission to the Independent Planning Commission
Public Hearing – Vickery Extension Project

Dear John,

Introduction


2. Council raised a wide range of matters in its Vickery EIS submission (attached) and made a number of recommendations to the Department of Planning and Environment (“DPE”) and therefore the Commission. Council trusts that both the DPE and Commission will give full consideration to those matters and recommendations as well as those outlined below.

3. Council acknowledges that:
   
   a. The construction workforce for Vickery is up to 500 full-time equivalent personnel (Vickery EIS, p. 4-136).
   
   b. If Vickery is approved the expected in-migration of people to Boggabri is 71 (Vickery SIA, p. 102).
   
   c. There is projected to be an in-migration of 28 new households to Boggabri if Vickery is approved (Vickery SIA, p. 102).

4. Council acknowledges the positive economic contribution of mining and extractive industries to the Narrabri Shire. The mining sector is now the largest industry employer in the Shire with 1,124 persons, or 17.8% of the total workforce (ABS 2016 Census).

5. Other local government areas have experienced a decline in agricultural employment as a result of a number of local and broader factors, including the
substantial global shift to mechanisation in agriculture, larger farming properties with fewer jobs (Australian Bureau of Agricultural and Resource Economics, 2012, Table 21) and an increased reliance on economies of scale.


6. Mining and extractive industries have provided replacement jobs for the 400 agricultural jobs lost between 2006 and 2016 providing some 1,078 jobs in the same period (ABS 2011 Census, 2016 Census).

7. Mining and extractive industries play an important role in the industry mix of the Narrabri Shire economy with their direct and indirect employment benefits leading to:

   a. Regional prosperity and wealth creation;
   
   b. Retention of young people and population growth in the shire; and
   
   c. Improved infrastructure.

8. Because of its important role to the Narrabri Shire economy, Council and the community expect and require that the benefits to the community from projects such as Vickery are maximised while the impacts are managed and mitigated.

9. Council is of the view that many of Vickery’s perceived benefits, such as jobs and contracting opportunities, should be scrutinised more closely by the DPE and the Commission. In addition, the project's impacts require more thorough investigation and monitoring.

10. This is to ensure that the project delivers the necessary economic benefit to the community and so that the social impacts are dealt with in a way so that communities such as Boggabri and Narrabri are not unfairly burdened with additional infrastructure and social costs throughout the duration of the project, particularly when this should be borne by Whitehaven ('the Proponent').

The hearing and assessment process

11. Council would like to point out a few matters relating to aspects of the hearing and assessment processes to date:
a. There is a “need for consistent and well-timed consultation” (p.163, Walsh et al, 2017) when it comes to State Significant Development and like development proposals.

b. Council thanks the Commission for agreeing to Council’s request of 30 November 2018 for a public hearing to be delayed and held in Boggabri.

c. Council would like to take this opportunity to recommend to both the Commission and DPE that they carefully consider the timing and location of hearings when determining future projects and conduct a thorough assessment of potential conflicts for members of the panel.

d. To date, the process and related timeframes have concerned many residents and ratepayers in the Narrabri Shire. This is because any costs associated with a failure in compliance, monitoring and long-term planning will largely fall on local communities, particularly Boggabri.

e. The Commission’s public hearing in Boggabri has gone some way to alleviate these concerns, however, this must be supported by a thorough and objective assessment by the DPE.

f. Following the submission deadline, there were claims made by some interested parties that Vickery enjoyed substantial ‘community support’, referencing the Department’s EIS website (https://www.northerndailyleader.com.au/story/5737163/opinions-on-proposed-vickery-coal-mine-extension-revealed/)

g. Vickery involves the consideration of many complex public policy issues affecting a wide range of stakeholders, many of whom have legitimate and reasonable concerns with respect to the project. In future, the DPE may wish to consider reviewing the timing of the publication of ‘Approve/Disapprove’ results until public hearings and further community consultation has been undertaken and completed. This would reduce the chance for misinterpretation.

h. Council is of the firm belief that the approval process, regardless of the outcome, needs to be impartial and transparent. The consequences of any decision made by the Commission will be substantial.
The economic benefits

12. The DPE Preliminary Issues Report summarised many of the claims made by the proponent’s EIS documentation, with limited scrutiny of the statistics relating to community support or the veracity of claims relating to projected job creation.

13. The Marsden Jacobs’ report, commissioned by the DPE, commented on some of the overly optimistic assumptions and identified several areas where the Whitehaven economic assessment could be improved, including:

   a. “Aspects of the assessment warrant further clarification and consideration” (page 38 – Preliminary Issues Report)

   b. “In a number of areas the assumptions could be better evidenced and justified” (page 4 – Marsden Jacobs Report)

   c. “The report uses input-output analysis to provide insights to the local area effects. We have greater reservations than AnalytEcon regarding the appropriateness of this approach” (page 4 – Marsden Jacobs Report)

   d. “The report could usefully clarify the rationale why opportunity costs associated with production be treated within Whitehaven’s mine revenues and therefore assumed to be zero” (page 6 – Marsden Jacobs Report)

   e. “The report should clarify the treatment of land values in the benefit cost methodology” (page 7 – Marsden Jacobs Report)

   f. “In several places, assumptions are asserted without supporting evidence” (page 8 – Marsden Jacobs Report)

   g. “The report would benefit from providing further evidence to support the run of mine assumptions and clarify what risks or contingencies have been incorporated to account for unforeseen production delays or halts” (page 8 – Marsden Jacobs Report)

   h. “We recommend further evidence be provided in the report to justify the coal price assumptions” (page 8 – Marsden Jacobs Report)

14. While the Marsden Jacobs Report provided some endorsement of the economic analysis undertaken by the proponent, these deficiencies identified by the DPE’s own expert reinforces the perception that various projections and assumptions
“may be overly optimistic” (page 8 – Marsden Jacobs Report). It also provides support to the argument being raised by many local community members that the benefits of Vickery are potentially being overstated.

15. It is the view of Council that the use of autonomous vehicles will be critical to the communities understanding and realisation of the economic benefits of the project. Council requests that this be specifically addressed in the economic analysis for Vickery.

16. Council asks that the Commission give specific consideration as to whether the use of autonomous vehicles will reduce the overall economic benefit of Vickery to the Boggabri and wider Narrabri Shire community.

The social impacts

17. On page 10 of the Preliminary Issues Report, the DPE identified other coal mines in the area “including Maules Creek Open Cut (Whitehaven), Boggabri Open Cut (Idemitsu), Tarrawonga (Whitehaven) and Rocglen (Whitehaven).”

18. A 2010 academic study on cumulative impacts noted that “while some mining communities have benefited from the expansion of the coal industry through the creation of jobs and the investment in economies, the compounding impacts of multiple mine operations have stretched environmental, social, human and economic systems and rendered conventional mine-by-mine governance approaches ineffective” (p.299, Franks et al, 2010).


19. The DPE acknowledges their responsibility to consider the cumulative impacts of Vickery, within the broader context of other mining activities in the area. However, feedback from many community members indicates that they may need to undertake further analysis with respect to the social impacts of the project.

20. Council has concerns that an assessment by the DPE through the lens of a mere extension of an existing project will not fully consider the cumulative impacts.

21. The apprehension of some community members were summarised in a submission from the Boggabri Business & Community Progress Association.
Their concerns were, “there will be little or no benefit to the community of Boggabri from this extension, rather we will have serious overload of our infrastructure and ongoing issues that are not being addressed”

22. “A key theme of consultation with community members was the concern that Boggabri, to date, had not experienced the same level of benefits that Gunnedah and Narrabri had experienced as a result of the region’s existing mining operations” (p.7, Vickery Extension Project SIA).

23. Council is aware based on feedback from the community and reviewing local submissions that there may be “low levels of trust for the proponent in the Boggabri community”.

24. A 2013 academic study (published in 2014) into mining companies and their social licence to operate in local communities, pointed out some of the social impacts due to mining projects. It found that, “genuine community engagement, participation, and collaborative approaches to the development of strategies to mitigate these impacts will likely create greater community trust and acceptance in the longer term” (p.69, Moffat & Zhang, 2014).


25. Irrespective of the outcome following the Commission’s deliberations, it is very much in the interests of the Proponent to act as a good corporate citizen and address this ‘trust-deficit’. This will require re-engaging with community stakeholders on a more level ground.

26. It is the position of Council that the Proponent needs to provide nearby agricultural stakeholders with more resources, support and assurance with respect to the actual and perceived impacts of this project. One of the ways to re-establish trust within local communities is to engage in good-faith negotiations with interested stakeholders and identify what their needs are.

27. The Proponent can go some way to fulfil their corporate social responsibility obligations through a well drafted and meaningful voluntary planning agreement (‘VPA’), considering both local and Shire-wide impacts.
28. Council adopted at its ordinary meeting in November 2018 that the objectives for a VPA associated with Vickery are to:

   a. Meet the demands created by the Project for new public infrastructure, amenities and services;
   b. Secure off-site planning benefits for the wider community so that the Project delivers a net community benefit;
   c. Compensate for the loss of or damage to a public amenity, service, resource or asset by development through replacement, substitution, repair or regeneration.

29. The degree to which a VPA put forward by the Proponent meets the above objectives will have a significant impact on whether economic benefits and social impacts of Vickery are acceptable.

30. Council requests that the Commission require the Proponent enter into a VPA prior to the determination of Vickery.

31. It should be noted that not all Boggabri stakeholder groups are opposed to this project and some support the project, including the local IGA Express [link](http://www.majorprojects.planning.nsw.gov.au/?action=view_submission&job_id=7480&submission_id=289614).

32. Whether in favour or against the project, it is clear to Council that the Boggabri community is united by a shared concern for its social welfare, health and economic empowerment. These are all matters that the Proponent must address further in their social and economic impact analysis.

33. Many contractors, who identified working with the Proponent in the past, were based in the Hunter Valley and Mudgee regions. One submission noted that they had moved their operations to Boggabri and there were some local suppliers from Gunnedah and Narrabri that provided submissions in support of the project. However, Council has noted that many submissions in favour of Vickery were from outside the region, certainly outside Boggabri. This adds to the perception, right or wrong, that many of the benefits of the project will accrue to those who will not necessarily bear the negative impacts.

The transport assessment

34. Vickery is expected to result in the following traffic generation during construction of:
a. Peak 500 personnel

b. 7 days per week construction operation, between 07:00 and 18:00.

c. Assumed that 90% of construction workforce present on any day (450 personnel)

d. All construction personnel would arrive and depart the site in a private vehicle, with an average occupancy of 1.2 persons/vehicle.

e. This would result in 750 vpd generated by construction personnel.

f. Assumes 80% of arrivals and departures are within the am and pm peak hours, being 06:00-07:00 and 18:00-19:00 respectively.

g. Assumes 90% of construction personnel would reside in the Boggabri Accommodation Camp, which would equate to:
   i. 450 construction personnel resident in the camp;
   ii. 405 present at work per day;
   iii. 676 vpd generated by construction personnel from the camp;
   iv. 270 vph generated in the am peak and 270 vph generated in the pm peak.

h. Deliveries and visitors
   i. 168 light vpd and 84 heavy vpd generated
   ii. Spread evenly throughout the day
   iii. 10% originate from Boggabri, equating to 16.8 light vpd and 8.4 heavy vpd.

35. Vickery is expected to result in the following traffic generation during initial operation (year 2) of:

   a. Operational workforce of 80 personnel
   
   b. Assumed that 90% of operational workforce present on any day (72 personnel)
   
   c. Assumed that 1.2 people per vehicle, equating to 120 vpd generated.
d. Assumed that 21% of the operational workforce reside in Boggabri, which would equate to:
   i. 17 operational personnel resident in Boggabri;
   ii. 15 present at work per day;
   iii. 26 vpd generated by operational personnel from Boggabri.

e. Deliveries and visitors
   i. 14 light vpd and 2 heavy vpd generated
   ii. Spread evenly throughout the day
   iii. 10% originate from Boggabri, equating to 1.4 light vpd and 0.2 heavy vpd.

36. Vickery is expected to result in the following traffic generation during peak operation (year 12) of:

   a. Operational workforce of 450 personnel
   b. Assumed that 90% of operational workforce present on any day (405 personnel)
   c. Assumed that 1.2 people per vehicle, equating to 676 vpd generated.
   d. Assumed that 21% of the operational workforce reside in Boggabri, which would equate to:
      i. 95 operational personnel resident in Boggabri;
      ii. 86 present at work per day;
      iii. 144 vpd generated by operational personnel from Boggabri.
   e. Deliveries and visitors
      i. 396 light vpd and 72 heavy vpd generated
      ii. Spread evenly throughout the day
      iii. 10% originate from Boggabri, equating to 39.6 light vpd and 7.2 heavy vpd.
In summary, Boggabri would experience the following (Table 1) additional traffic (vpd) as a result of the project.

<table>
<thead>
<tr>
<th></th>
<th>Construction (vpd)</th>
<th>Operation (Peak) (vpd)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LV</td>
<td>HV</td>
</tr>
<tr>
<td>Staff</td>
<td>676</td>
<td>0</td>
</tr>
<tr>
<td>Deliveries/visitors</td>
<td>17</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>693</td>
<td>8</td>
</tr>
</tbody>
</table>

*Table 1: Additional traffic in Boggabri resulting from Vickery*

37. The transport assessment concludes that Vickery will have no impact on local roads. For a number of reasons Council is not persuaded at this time that a project of this scale, with the influx of a construction and operation workforce can have no impact on local roads.

38. The Project assumes that all traffic originating in Boggabri would access the site via the following access route:

   a. Construction: Caloola Road, Kamilaroi Highway, Rangari Road, Approved Road Transport Route (south), Hoad Lane, Braymont Road.

   b. Operation: Kamilaroi Highway, Rangari Road, Approved Road Transport Route (south) Hoad Lane, Blue Vale Road.

39. Traffic originating from Narrabri would also use the same route from the Kamilaroi Highway. No construction traffic has been attributed to Narrabri, however, during operation 13% of the workforce is assumed to be from Narrabri and 10% of deliveries and visitors. Using the same assumptions as Boggabri traffic outlined above, this equates to:

   a. Operational workforce of 59 personnel resident in Narrabri.

   b. 53 present at work per day.

   c. 88 vpd generated by operational personnel from Narrabri.

   d. Deliveries and visitors originating from Narrabri equates to 39.6 light vpd and 7.2 heavy vpd.

   e. Equating to a total of 128 light vpd and 7 heavy vpd.
40. The proponent intends to require all vehicles accessing the site to use the described access route(s). This would be enforced by a condition of consent prohibiting use of Braymont Road for site access.

41. The proposed access route is not the most direct route to the site. Utilising Braymont Road directly from Boggabri would result in an approximately 6.5km shorter trip compared to the access route. Whilst a condition to prohibit the use of Braymont Road is considered to be a valid planning condition, concern is raised as to how this will operate in reality and the potential consequences to Council’s local road conditions if in fact mine associated vehicles are found to be using the road.

42. Conditions of a development consent only bind those persons carrying out development. This means that any enforcement action for the failure to comply with such a condition can only be taken against the proponent and not generally against employees, contractors, suppliers or other third parties.

43. Council believes that as the roads authority this will place an unfair compliance burden on Council to act as a quasi-enforcement authority.

44. Council requires a means of recourse to rectify any impacts should mine associated vehicles be found to be using Braymont Road.

45. The project would result in the closure of the southern end of Braymont from the rail spur through to the intersection with Hoad Lane/Blue Vale Road. This closure would require vehicles to detour via Hoad Lane and the realigned Blue Vale Road in order to travel north/south along Braymont Road. This would result in additional traffic on Hoad Lane and add approximately 6km (reported in EIS) to the trip for these road users.

46. The proponent has entered into a maintenance agreement with Narrabri Shire Council ("Council") which applies to the public road sections of the Approved Road Transport Route. It requires road and intersections to be maintained in good condition at all times. Within the Narrabri LGA, this agreement therefore only applies to:

   a. the 1.9km section of Rangari Road from the Private Haul Road to the north of Rangari Road and the Private Haul Road south of Rangari Road; and

   b. the 1.4km section of Hoad Lane from the Private Haul Road to the LGA southern boundary.
47. The traffic assessment provided with the EIS has considered impact of Vickery on the road network performance and road safety. However, there has been no assessment on the impact on earlier design volume for the road pavements on the affected roads.

48. During the major construction period (first 12 months of the project), there would be approximately 701 additional vehicle trips per day on the prescribed transport route. This would equate to 4,900 additional vehicle trips per week and up to 255,164 additional vehicle trips in the 12-month period.

49. The EIS reports that the baseline 2019 daily traffic for the portion of Rangari Road between the Kamilaroi Highway and Therribri Road (Site J) is 328 LV and 67 HV. The construction period of Vickery would add 693 LV and 8 HV, which equates to an overall increase of 177% of VPD during construction (Table 2).

<table>
<thead>
<tr>
<th>Baseline 2019 daily traffic</th>
<th>With construction traffic</th>
<th>Change</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>LV</td>
<td>HV</td>
</tr>
<tr>
<td>Site J</td>
<td>328</td>
<td>67</td>
</tr>
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Table 2: Additional traffic during construction of Vickery at Site J

50. During year 12 (2030) the EIS reports that the baseline daily traffic for the portion of Rangari Road between the Kamilaroi Highway and Therribri Road (Site J) is 440 LV and 133 HV. The operational traffic would add 184 LV and 7 HV from Boggabri and 128 LV and 7 HL from Narrabri, which equates to an overall increase of 57% of VPD during operation (Table 3).

<table>
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<tr>
<th>Baseline 2030 daily traffic</th>
<th>With operation traffic</th>
<th>Change</th>
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<tbody>
<tr>
<td></td>
<td>LV</td>
<td>HV</td>
</tr>
<tr>
<td>Site J</td>
<td>440</td>
<td>133</td>
</tr>
</tbody>
</table>

Table 3: Additional traffic during operation (year 12) of Vickery at Site J
51. The traffic assessment has considered mid-block performance for the roads reported to be affected by Vickery. It has not considered the operational performance of the affected intersections.

52. The traffic assessment demonstrates that during construction and operation of Vickery the local road network (mid block) will continue to operate at an appropriate level of service.

53. Vickery will however result in significant additional traffic on the local road network, which will require increased maintenance and reduce pavement life.

**Key transport issues**

54. Scope of Traffic Impact Assessment ("TIA")

   a. The TIA has not considered the operational performance of the affected intersections. This is a standard requirement of Traffic Impact Assessments as required by Austroads Guide to Traffic Management Part 12: Traffic Impacts of Developments and the RTA’s Guide to Traffic Generating Developments. Therefore, it cannot be determined whether or not the existing intersection designs and geometry are suitable for the proposed development. If any of the affected intersections require upgrading, the TIA needs to determine the required treatments and appropriate condition(s) need to be imposed on any approval.

   b. Rangari Road, which is part of the intended access route to Vickery, includes a number of sharp bends and a single lane bridge (Iron Bridge) over the Namoi River. The TIA has not considered whether the existing geometry of Rangari Road is suitable for the increased level of traffic. Nor has it considered the impact of the one-lane bridge on performance of Rangari Road during peak hour. It is simply assumed in the TIA that Rangari Road is suitable to accommodate the additional traffic. Further assessment is required of the suitability of the existing geometry of Rangari Road to accommodate the development related traffic.

   c. The TIA assumes that Iron Bridge will be replaced. No consideration has been given to:

      i. The impacts if Iron Bridge is not replaced, including safety. Iron Bridge is limited to single lane traffic and is quite difficult and dangerous due to the ramp up and corner leading to the
bridge from both sides which makes it difficult to see oncoming traffic.

ii. The alternate access route to the mine if the bridge is replaced during construction or operation periods of the mine. The alternate access route would need to be assessed as to whether or not it provides an appropriate standard of access and whether any upgrades would be required to support its use.

d. Consideration should also be given to whether the proposed access route is in fact the most appropriate route to the mine site given the additional travel distance/time/fuel consumption compared to other available routes, road safety, and likely closure/detours as a result of the Iron Bridge replacement. The selection of the route should not be solely linked to upgrade costs.

e. No consideration has been given to the impact of the additional traffic on Hoad Lane as a result of the closure of Braymont Road. This assessment should be undertaken to determine whether or not any upgrades are required to the road, including intersections.

f. Further assessment as outlined above needs to be undertaken before the application can be determined.

Mitigation measures

55. The EIS states that the management of road transport impacts would occur through implementation of the proponent’s Traffic Management Plan (‘TMP’), which will be revised as required to incorporate the project. This TMP has not been provided with the Project Application documentation. Therefore, the contents of the TMP cannot be reviewed in order to determine their extent and or acceptability.

56. It is included in the Environmental Assessment section of the EIS (but not in the Mitigation Measures section) that Road Maintenance Agreements with Council for the Approved Road Transport Route (‘ARTR’) are intended to be continued as part of this development. This only applies to the public road components of the ARTR, which is a small section of Rangari Road and Hoad Lane. It should also be noted that on the previous Project Approval for the Vickery Coal Project, a condition was imposed only requiring the road maintenance agreement with Gunnedah Shire Council to be maintained. It did not extend to Narrabri Shire
Council. The road maintenance agreement provides a vague and uncertain process for all parties given there is no approved framework or methodology for the agreement.

57. The consideration that has been given to the impacts of construction or operational traffic on the local road network is incomplete. Additional mitigation measures should be included as part of the development to ensure impacts on the local road network are appropriately mitigated, including:

   a. Requirements for upgrades of the road network based on the additional assessment undertaken to address the identified gaps in the TIA.

   b. An assessment to understand the extent of road pavement damage related to construction of the project. This should be in the form of a Dilapidation report. This should extend to a pre-construction assessment of the condition of the affected roads and post-construction assessment of the condition of the affected roads, with remedial works being agreed to by Council and including timing for the works to be undertaken. All assessments and works are to be at the cost of the applicant. This requirement should be provided as a condition of the Project Approval and should following the methodology outlined in Mining and Energy related Council and NSW Minerals Council Roads Contribution Framework (GHD 2018).

   c. For ongoing maintenance impacts on the road network during operation of the mine, a VPA should be utilised to capture the requirements. Pavement consumption should be funded proportionally to the use over the operational phase of Vickery.

   d. Provision needs to be made for further assessment and the ability to require additional works to be undertaken should the access route be altered from that as outlined in the EIS, including but not limited to if Iron Bridge is closed or Braymont Road is used.

58. Council has provided the above commentary based on the transport route put forward by the Proponent. It is Council’s view, however, that the transport route is fundamentally flawed. Council is of the strong view that access to Vickery should be via Braymont Road and that the Proponent should upgrade this route to appropriate national and Council road standards.


**Conclusion**

59. Overall, the issues raised by Council and other interested stakeholders must be considered on their merits. Ratepayers and residents of the Narrabri Shire expect Council to represent their interests, in terms of social and economic development.

60. There are opportunities with respect to Vickery, including benefits to towns such as Boggabri, and Council again acknowledges the important role mining and extractive industries play in the industry mix of the Narrabri Shire economy and to our future prosperity.

61. However, the Council and the community expect and require that those benefits accrue to the people of the Narrabri Shire who will carry the associated risks and impacts of Vickery. The benefits should not principally accrue to persons and businesses outside the shire who bear few risks and none of the impacts.

62. It is essential that these risks and impacts are identified and mitigated.

63. It is the position of Council, for the reasons outlined, that the economic benefits of this project have potentially been overstated by the Proponent and the social costs have not been adequately addressed. It is Council’s firm view that the IPC have the power and the responsibility to ensure that the issues identified by all stakeholders, particularly those living in and around the project site, are dealt with by the Proponent in an impartial and transparent manner. Integrity is a key part of any deliberative process and Council trusts that the Commission will address the issues identified herein. Council looks forward to working constructively with the Commission’s panel members over the coming months and extends this positive approach towards all stakeholders, either for or against Vickery.

If you would like to discuss the matter with me further, please contact me on [phone number]

Yours faithfully,

Daniel Boyce

Manager Planning and Regulatory Services