

SOCIO-ECONOMICS

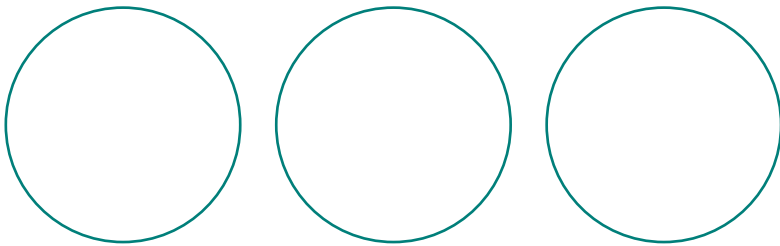


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19 SOCIO-ECONOMICS

The existing social and economic environment relevant to the Ensham Central Project is described in detail in Section 19 – Socio Economics, of the Ensham Central Project Environmental Impact Statement. Section 19 also provides a summary of the social and economic impacts of the project.

The following sections provide a description of the socio-economic impacts of the Revised Central Area Mining Methodology where they are different to those described in the Ensham Central Project Environmental Impact Statement.

19.1 INTRODUCTION

The size of the project and total mine workforces is a key factor in the consideration of the nature and scale of the social impacts for the Revised Central Area Mining Methodology (RCAMM) compared to those presented in the Ensham Central Project (ECP) Environmental Impact Statement (EIS). The extent of economic impacts arising from the RCAMM is also directly related to the size of the workforce and the scale of mine production.

The following sections present an assessment of the project and total mine workforces for the RCAMM compared to the ECP EIS and discuss the differences between the associated socio-economic impacts.

19.2 SOCIO-ECONOMIC IMPACTS

19.2.1 Workforce Numbers

The estimated workforce required for the RCAMM is summarised in Table 19-1. Table 19-2 summarises the project workforce presented in the ECP EIS for comparative purposes.

As indicated in Table 19-1, the workforce for the current approved Ensham mining operations is estimated to be 480 at the commencement of the project (Project Year 1 which is assumed to be 2010). Production from the open cut mine in Year 1 is planned to be 8.5 Mtpa. Both the level of production and the size of the associated workforce for the open cut mining operations will then decrease progressively over the remaining mine life. The project mining operations will maintain a higher rate of total mine production and a larger total mine workforce over the remaining mine life (estimated to be 18 years), as indicated in Table 19-1.

As indicated in Table 19-1, construction of the bord and pillar mine will commence in Project Year 1 and will take 2 years. Construction of the bord and pillar mine will require a workforce of approximately 60 employees. Bord and pillar operations are planned for a period of 6 years with a peak operations workforce of 227.

Construction and development of the longwall mine is scheduled to take 3 years commencing in Project Year 5. Construction of the longwall mine will require a peak workforce of 50 employees. The longwall operations workforce will be 138 over a 12 year mine life.

Construction of project mine infrastructure, including coal handling and transport equipment and a washplant, is scheduled to commence in Project Year 1. The construction workforce is estimated to be up to 100 over a period of two years. An operations workforce of 10 is estimated for the new infrastructure.

The key comparisons between the mine workforces associated with the RCAMM and the ECP EIS mining methodology are as follows:

- Due to the reduction in planned open cut mine production over the remaining mine life associated with the RCAMM, the open cut workforce will reduce from 480 to 240 over the remaining mine life (Table 19-1). This is less than the open cut workforce specified in the ECP EIS which was maintained at 700 over the remaining life of the mine (Table 19-2).

- The project workforce associated with the RCAMM is similar to the ECP EIS for the operations phase and has a slightly higher construction phase peak (287 versus 238) during the period of overlap between bord and pillar mining and longwall construction.
- The total mine workforce, including the project workforce, over the remaining mine life is less for the RCAMM compared to the ECP EIS (Tables 19-1 and 19-2). The total mine workforce associated with the RCAMM is a minimum of 200 workers less than the total mine workforce in the ECP EIS.

**Table 19-1
RCAMM Workforce**

		Project Years							
Project Component	Phase	1	2	3	4	5	6	7	Project Years 8-18
Board and Pillar Mine	Construction	60	60						0
	Operations		60	177	227	227	227	120	0
Longwall Mine	Construction					50	50	25	0
	Operation							107	138
Infrastructure	Construction	100	100						0
	Operation			10	10	10	10	10	10
Total Project Workforce		160	220	187	237	287	287	262	148
Existing Open Cut	Operation	480	480	480	480	390	390	390	390-240 ¹
Total Workforce		640	700	667	717	677	677	652	538-388²

Notes:

1. Progressively reducing from 390 to 240 over 10 years.

2. Progressively reducing from 538 to 388 over 10 years.

**Table 19-2
ECP EIS Workforce**

	Pre-Project (Project Years 0 and 1)	Project Construction (Project Year 2)	Project Construction/ Operations Overlap (Project Year 3)	Project Operations (Project Year 4 to Project Year 14)
Project Workforce	0	201	238	138
Open Cut Workforce	700	700	700	700
Total	700	901	938	838

19.2.2 Socio-Economic Impacts

The potential adverse social impacts of the project described in the ECP EIS included the potential for increased pressure on low housing availability and affordability in Emerald and the local area. The potential for increased pressure on local community infrastructure and services was also addressed in the ECP EIS.

These potential adverse impacts are directly related to the size of the workforce and the associated workforce accommodation strategy. The total mine workforce associated with the RCAMM is reduced from the workforce described in the ECP EIS. The workforce accommodation strategy for the project remains unchanged and involves on site camp accommodation in combination with a drive in drive out, 7 days on/7 days off roster. Consequently any potential adverse social impacts of the mining operations will be significantly reduced as a result of the RCAMM.

The positive economic impacts associated with the RCAMM and the future Ensham mining operations will be reduced in comparison to the ECP EIS due to the reduced level of production and the reduced mine workforce. However, the positive economic impacts of the ECP and future mining operations remain significant. A summary of the positive economic benefits of the RCAMM are provided below:

- Total capital expenditure of \$1.2 billion, of which \$780 million (65%) will be expended within Australia;
- Total capital expenditure of \$32 million on the washplant and associated coal handling facilities, including \$27 million to be expended within Australia;
- Annual average estimated operating costs of \$250 million for full operation of the underground mine and washplant;
- Employee salaries and wages of up to \$87.5 million per annum injected into the local and regional economies;
- Significant Queensland and Federal government taxes of an estimated \$85 million per annum; and
- Potential revenue for infrastructure providers (Queensland Rail and Gladstone Port Corporation) of an estimated \$154 million per annum.