

PROF M. O’KANE AC: So good afternoon and welcome, and before we begin I’d like to acknowledge the traditional owners of the lands that we are variously on and pay my respects to their elders past, present and emerging, and I’m speaking from Gadigal land. Welcome to the meeting today to discuss Narrabri Underground Mine Stage 3 Extension Project SSD10269, which is currently before the commission for determination.

Narrabri Coal Operations Pty Ltd, the applicant, is the operator of the Narrabri Mine, an existing underground coal mine located approximately 25 kilometres southeast of Narrabri and approximately 60 kilometres northwest of Gunnedah. The mine is located within the Narrabri Shire Local Government Area and in the northwest slopes and plains region of New South Wales. The applicant is seeking development consent to continue longwall mining in a major southern extension area until 2044. The project also involves the continued use of existing underground and surface infrastructure, including use of the existing coal handling and preparation plant at its approved 11 million tonnes per annum capacity.

My name is Mary O’Kane. I’m the chair of the Independent Planning Commission and of this panel. I am joined by my fellow Commissioners, Professor Snow Barlow and Chris Fell. Also in attendance are Stephen Barry, Brad James and Phoebe Jarvis from the Office of the Independent Planning Commission. In the interest of openness and transparency and to ensure the full capture of information, today’s meeting is being recorded and a complete transcript will be produced and made available on the commission’s website.

This meeting is one part of the commission’s consideration of this matter and will form one of several sources of information upon which the commission will base its determination. It is important for the commissioners to ask questions of attendees and to clarify issues whenever it is considered appropriate. If you are asked a question and are not in a position to answer, please feel free to take the question on notice and provide any additional information in writing, which will then be put up on our website.

I request that all those here today introduce themselves before speaking for the first time and that we all ensure we do not speak over the top of each other to ensure accuracy of the transcript. So let’s now begin, and can I throw open to our colleagues from Gunnedah Shire Council if there’s any general things you want to say and then we can go through the things on the agenda.

CR R. HOOKE: Well, firstly, my name is Rob Hooke. I’m the deputy mayor and at the moment acting mayor for Gunnedah Shire Council. This is me here. You can hardly see me - - -

PROF O’KANE: Yes.

CR HOOKE: - - - with the black background.

PROF O’KANE: No, well, we can see you very clearly and your wonderful name tags are extremely clear.

5 CR HOOKE: Excellent. I’d just like to start by thanking the commission for allowing us to put in a submission this afternoon and in so doing introduce the other members that are here today. On my left is Eric Ross, the general manager, and we have got Andrew Johns, who is the director of planning and infrastructure service, and Wade Hudson, the senior development officer.

10 PROF O’KANE: Hello.

CR HOOKE: Maybe you would – I would like to – really, to start just by bringing to your attention the submission that we put to you on the 2nd of February two days ago, and there’s, basically, a summary of Gunnedah Shire Council’s
15 recommendations, and rather than going through those summaries, I’d just like to make a brief opening statement and then hand over to the executive staff to continue the conversation.

PROF O’KANE: Rob, can I just interrupt to say that we haven’t yet seen the
20 submission, which is probably just because it’s processing at our end, come on, so
- - -

CR HOOKE: Right. Okay.

25 PROF O’KANE: But we will read it with everything. Yes.

MR A. JOHNS: Andrew Johns, director of planning, Gunnedah. Just for your information that’s a draft submission that we’ve actually workshopped with our
30 councillors and we put into council in a couple of weeks, so you wouldn’t have received it just yet, but you’ll have it - - -

PROF O’KANE: Right. We’ll have it. Good. Okay. Thanks, Andrew.

35 CR HOOKE: Okay. So I do apologise for that and that was an oversight on my part, but, Commissioners, I’d just like to summarise where our position is as far as Gunnedah Shire Council is concerned in relation to this matter. All council is seeking, irrespective of figures, is that the VPA reflects the impact on the community both in total quantum and how it is distributed. To that end, council commissioned an independent analysis of impacts on roads only based on Whitehaven provided
40 data about domiciled workers, both employees and contractors.

It would be negligent of council not to seek to ensure, as a minimum, as with any development, that the community does not bear costs which should be appropriate born by the developer. The offer by Whitehaven included in appendix 5 of the
45 department’s consent is simply one per cent of capital investment value. This is no correlation to impacts and is 1.9 million short of the independent assessment commissioned by council. Council, therefore, seek support in its position that the

VPA component of the community of Gunnedah should be 3.6 million and not 1.43 million as offered by the proponent.

5 At the very least, if the total quantum of the VPA is not to be realistic, then the
community deserves an appropriate proportionate split of the total quantum based on
Whitehaven's very own data provided in its DIS. A number of factors used to
determine the distribution of the offer by Whitehaven are ones that have no bearing
or relationship on the development impacts on the community. Council contends
10 that based on the proponent's own domiciled work data, the split should be 49 per
cent to Gunnedah and 51 per cent to the Narrabri Shire. That concludes my opening
address. Thank you very much, Commissioners, and I hand back to my colleagues to
carry on the conversation.

15 PROF O'KANE: Thank you. Who wants to go next?

MR E. GROTH: Thank you, Commissioners. I think from council's perspective,
and I appreciate you're busy and have a lot to cover, I think that really sums up in
essence the position of council. We're – I think we're probably better placed to
answer any questions or provide the rationale for our approach, if it pleases the
20 commission.

PROF O'KANE: Right. Our questions were very general beyond wanting to know
about the VPA negotiations, which you've really indicated. I guess I'm interested to
know if there's any issues that you're – you know, you – there's an email from
25 September from, I think Wade sent it, but he felt the – all your submissions from the
previous letter had been addressed, but I just wondered, was there anything in the
assessment report or the proposed conditions that you wanted us to particularly look
into on your behalf?

30 MR GROTH: Commissioner, if I can field that one to start with. I guess the main
concern – well, there's no real trend of concerns, I would note, with the assessment
report and the consent from the department for the project. We have some real
reservations. There appears to be entire sections of the EIS lifted from the
proponent's words and included as part of the assessment report. It also appears that,
35 for example, our letter to the proponent – which is included as part of the agency
advice attachments – our letter concerning the VPA was very clearly worded that
we've engaged an independent consultant and the basis for us seeking approximately
1.71 per cent of CIV, which is, at the end of the day, only an expression of the value
that we're seeking in terms of the CIV, actually had nothing to do with the 1.76 per
40 cent that was achieved for the VPA for Vickery.

So the department appears to have read part of the letter and then expressed the
council agreed with the methodology of Whitehaven, or the proponent, and that's
clearly not the case. We disagree. We agree with the domiciled worker components.
45 The proportionate split, the workers are between Gunnedah and Narrabri, including
both contractors and employees, and we don't contest the percentages that are
included in the EIS. In fact, those are the figures that we used by REM Plan, our

independent consultant, to then determine the estimate of costs borne by the community for the period of 2032 to 2044 in terms of coming up with the quantum of \$3.36 million for our sought VPA.

5 And I stress that's only based on the road components of the impacted assessment. So there's been no – REM Plan in their report to us said that has no account of impacts for affordable housing, for medical care, for doctors, for police and so forth, and we've taken the position that – simply that some of those are state-borne costs, that there's probably not to be gained too much in council going and chasing a
10 detailed analysis of those costs, and we've fallen back to the impact on roads alone and, again, to stress, I think it bears repeating that that quantum alone is \$3.36 million.

15 So in our letter to Whitehaven rejecting their initial offer, we have said we don't accept \$1.4 million. We believe the quantum is more appropriately \$3.36 million, and the reasons for disagreeing with that, we did say that we reflected on the fact that 1.76 per cent was an expression of the VPA received for Vickery as a percentage of CIV, and then we've said the amount that we are requesting on the basis of an independent analysis equates to 1.71 per cent of this project's CIV for stage 3 alone,
20 but that is not saying that we're seeking – as the department has said in its report, we are not seeking 1.71 per cent, because 1.76 per cent was achieved for the Vickery.

25 So, I guess, coming back to the original point, the fact that there appears to be huge elements of the EIS lifted and repeated in the assessment report, which I accept would be appropriate in certain circumstances, but not in the amount that we've seen in the assessment report, that combined with the fact that there seems to be – if I speak very frankly and candidly, a very glib, in respect of the letter from council to the proponent about our position.

30 So it causes, certainly, myself and the council some concern that I'm not sure how much respect has actually been had to the discussions with the proponent about the VPA, but also how seriously the department has actually taken its responsibility in terms of completing the assessment report and, further to that, it's really an insult to council that the department has chosen its consent in this particular project to include
35 the VPA offer by the proponent as the VPA quantum in the consent document itself as a – the VPA now, I know that they say that is to be determined and the parties haven't agreed, but the previous position, in my experience with projects of this nature, is that the quantum isn't named up in favour of either the proponent or the council, and it's simply recommended that a VPA be determined before consent or
40 approval of the project.

45 So we have some concern – you know, I'm not for one moment saying there's anything untoward going on with the department, but it certainly gives us the concern that not sufficient respect has been had to all parties in the assessment report and we would suggest that potentially it's been rushed or something's occurred that – you know, I don't think due consideration has been given by the department in putting an assessment report to the Commission.

PROF O’KANE: Thank you, and thank you for explaining that so clearly. We’ll look into that. Chris, any questions?

5 PROF C. FELL AO: Yes, I just have one. I mean, the period through to 2044 is quite a long time. Could you just give us an overview of what you see the changes might be like in both council areas, if you like, over that period that will eventually lead to an appropriate demand on the applicant.

10 MR JOHNS: I might field that one. Andrew Johns. Then I might hand over to Wade to finish off, but so, essentially, Gunnedah, unlike many other regional areas of our size, we have a growing population. We presently have a very high demand for skills and labour, which we’re really struggling to attain, and there’s plenty of businesses in town, including the mines, that are, you know, struggling to fulfil obligations to clients and what have you due to the fact they can’t get staff.

15 We had this mine, as Eric indicated earlier, we have the Vickery Extension Project, which is due, potentially, start in the next, you know, three to four years and we’ll certainly be operating in tandem or in parallel with the subject proposal. So, I guess, what we expect to see, you know, between now and, say, the commencement of that
20 – of the Narrabri Stage 3 is an increase in our population and further pressure on council infrastructure, you know, including roads and social infrastructure, further pressure on those state borne things that the general manager indicated earlier, like emergency services workers and nurses and hospital, you know, that type of thing.

25 So I guess that’s, potentially, the thrust of where we’re coming from. Council hasn’t, theoretically, hasn’t had a VPA other than a minor contribution made to stage 2, this project. We don’t know what that’s the case. It was before all of our respective time here at council, but I’ve been doing this job for – you know, not the director’s job. I did planning in New South Wales for over 20 years and VPAs have always been
30 about ensuring that communities are compensated for the impact that a development has on them, and that’s all we’re asking for.

35 We’re not asking for, you know, a cheque to be written to buy our favour. We’re asking for our – to ensure that our community members aren’t negatively impacted by, you know, a large development in the adjoining LGA. So the pressure on our community is very real, and I perceive that will continue to happen, you know, well into the 30s and 40s, as well.

40 PROF FELL: Thank you, that’s very helpful.

45 MR W. HUDSON: Probably the only thing, really, to add is the considerations that council is making is only for the extended period that the modification actually relates. So over that period of time, council – well, Gunnedah Shire Council is expected to continue to grow, although at a moderate rate, but it’s still a growth in comparison to some of the other LGA areas around us. So the high likelihood is that there could be an increase of any workforce that – of this nature to actually start residing in Gunnedah due to reduction in population in some of these other areas.

It might see transition from those adjoining LGA areas actually into Gunnedah and, especially, when you've got, as Andrew mentioned, other projects like the Vickery Extension Project, which are expected to drive up to, I think, it's about 450 full-time equivalent jobs, so you have compounding impact from these multiple developments all occurring over the same sort of operating period.

5 PROF FELL: Thank you.

MR GROTH: And, I guess, Commissioner Fell, the specific triggers which, as we noted, we don't, certainly, contest on the EIS of Whitehaven. The specific figures they provide is 151 additional employees in the Gunnedah Local Government Area during the stage 3 of the mine. REM Plan, the independent consultant that we referred to for the same period, 2032 to 2044, they've undertaken some further analysis and they estimate an additional five workers during the construction period, an addition 111 during the operation of the mine and an additional 56 during the closure of the stage, so – and all our figures, again, in respect of the VPA quantum calculated is based solely on that and the anticipated impact of those additional workers and the indirect increase to the population as a result on the road of Gunnedah Shire Council.

20 I guess the other thing that I failed to add in terms of the department's assessment report is there is the observation there that the employment rates have been falling, and that, in fact, Gunnedah has been above the regional, State and – or the New South Wales and regional unemployment figures. If – in our submission – in our written submission, we'll include a table that actually cites the ABS data and, certainly for the last two years, Gunnedah has had an unemployment rate below that of the State and regional New South Wales. So, again, I just question the veracity of the department's research in completing the assessment report.

25 30 PROF O'KANE: Thank you.

PROF FELL: Thank you.

35 PROF O'KANE: Snow, anything?

PROF S. BARLOW: Yes. Further on this question, because, clearly, your position in the Gunnedah Council is one of the labour force and the contingent costs of that labour force, that proportion of it being drawn from Gunnedah. With regard to this analysis, sort of, looking from 32 to 44, which is the subject of our – you know, this development application, what's the projected life of those other open cut mines to the northeast – you know, north of Vickery, effectively, north creek and there's a couple of others. Is it Tarrawarra there? Anyway - - -

45 MR JOHNS: Tarrawonga.

MR GROTH: Tarrawonga.

PROF BARLOW: When are they due to complete, do you know? Sorry, I'm just, sort of, trying to think about the other pressures that will come on for labour in this particular area, because they're both, presumably, some of those workers would work in – would live in Gunnedah, as well, wouldn't they, currently?

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MR HUDSON: That's correct. Yes. So Boggabri Coal is one of the mines. It's Idemitsu. It is currently, actually, sought a modification to their current operating life to extend, I believe it would take them to, I think it's about the end of 2039, the extended life of that particular mine. So, again, these mines are – they're operating and then they're seeking consent for extension to their operating life, obviously, based on the costs of establishing a new mine, but Tarrawonga, I'm not overly certain of what the final date of that mine operation is, but it's all – it's something we can include in our submission, if the IPC would like to have that as a matter for consideration, because, even though Vickery Extension Project is not yet – it hasn't yet commenced its operations, we do have these other mines to contend with.

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PROF BARLOW: That would be useful information for us, thank you

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MR GROTH: I guess, Commissioner Barlow, too, it's probably worth noting that, as you'd no doubt be aware, stage 4 extension of Narrabri Coal Underground was submitted and withdrawn by the proponent. So it's not just those projects that you refer to that are on the ground and live at the moment, but there's no doubt going to be extensions to a number of these projects, including the one in – the one at hand at the moment.

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PROF O'KANE: Good point. Yes. Okay. Colleagues, any other questions for Gunnedah? And colleagues from Gunnedah, any further observations before we wind up?

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MR GROTH: I guess, Commissioners, again, thank you very much for the time to hear our position. I guess we're quite passionate and confident that our position is based on one of science and, I guess – I'd note that you will, no doubt, hear from the proponent that one per cent of CIV is appropriate for whatever reason, and it's not for me to argue that point, but, certainly, we don't feel it is. The position of Narrabri will be argued that project location should be the sole and dominant determinative of what a VPA should be, and I'll simply refer back to the – you know, as you would know better than me, that the purpose of the Environment Planning and Assessment Act, that it should be the impact on communities, and that's what we're seeking to best determine through a accepted model by the minerals council of domiciled workers, as opposed to any other arbitrary method, but we certainly – as we will note in our submission, we certainly contend that whether a vehicle turns left or right from the site and the project location with an arbitrary 40 per cent loading in the calculation by Whitehaven has absolutely no correlational bearing on the impact on the community by the development.

And the other point that Narrabri will push – I doubt Whitehaven will, given that they've actually made an offer including Gunnedah – will be that 30-odd per cent,

rather than what we would argue should be a far higher amount of 48, but certainly what they were – Narrabri would argue, I would suggest, is that in determining the VPA that Gunnedah is seeking a retrospective payment for periods prior to 2032. As we've explained in the methodology used by the independent consultant, it is purely
5 looking at assessments for that period 2032 to 2044 on infrastructure, not any period prior to that.

PROF O'KANE: Thank you. That's all, as I said, very clear and it's always great dealing with Gunnedah Shire Council. So thank you very much and we'll see you on
10 another mine some time soon or - - -

CR HOOKE: Thank you for your time, Commissioners.

PROF O'KANE: See you.
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MR GROTH: Thanks, Commissioners.

PROF BARLOW: Thank you.

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[1.25 pm]