



The Coordinator-General



The Bowen Basin Coal Growth project—Caval Ridge Mine

Coordinator-General's change report on the housing impacts study instigation conditions

July 2011

© State of Queensland. Published by Queensland Government, July 2011,
100 George Street, Brisbane Qld 4000.

The Queensland Government supports and encourages the dissemination and exchange of information. However, copyright protects this publication. The State of Queensland has no objection to this material being reproduced, made available online or electronically but only if it is recognised as the owner of the copyright and this material remains unaltered. Copyright inquiries about this publication should be directed to crown.copyright@qld.gov.au or in writing to: Administrator (Crown Copyright and Other IP), Department of Employment, Economic Development and Innovation, PO Box 15168, City East, Qld 4002.

The Queensland Government is committed to providing accessible services to Queenslanders of all cultural and linguistic backgrounds. If you have difficulty understanding this publication and need a translator, please call the Translating and Interpreting Service (TIS National) on 131 450 and ask them to telephone the Queensland Department of Employment, Economic Development and Innovation on 132 523.

Disclaimer: This report contains factual data, analysis, opinion and references to legislation. The Coordinator-General and the State of Queensland make no representations and give no warranties regarding the accuracy, completeness or suitability for any particular purpose of such data, analysis, opinion or references. You should make your own enquiries and take appropriate advice on such matters. Neither the Coordinator-General nor the State of Queensland will be responsible for any loss or damage (including consequential loss) you may suffer from using or relying upon the content of this report. By using or relying on such information you agree to indemnify the Coordinator-General and the State of Queensland against any loss arising out of or in relation to your use or reliance.



Contents

Synopsis.....	4
1 Description of the proposed change	5
1.1 The proponent.....	5
1.2 Background	5
1.2.1 Phase 1	5
1.2.2 Phase 2.....	5
1.2.3 Phase 3.....	5
1.2.4 Phase 4.....	5
1.3 Prior applications for project change	6
1.3.1 Change request number 1—workforce accommodation	6
1.3.2 Change request number 2—environmental authority	6
1.4 Proposed change request number 3—housing impacts study instigation.....	6
1.4.1 Condition 10—social impact management plan.....	6
1.4.2 Condition 18—BBCG Project Housing Impacts Study	7
2 Proponent’s reasons for the change	7
2.1 Condition 10—social impact assessment.....	7
2.2 Condition 18	8
2.2.1 BBCG Housing Impact Study.....	8
2.2.2 BBCG Housing Impact Plan.....	8
3 Public notice decision	8
4 Evaluation of the change request	9
4.1 Condition 10 – social impact management plan.....	9
4.2 Condition 18 – BBCG Project Housing Impacts Study	9
5 Conclusion.....	10
5.1 Condition 10 – social impact management plan.....	10
5.2 Condition 18 – BBCG Project Housing Impacts Study	10
5.3 Revised conditions	11



Synopsis

The Bowen Basin Coal Growth (BBCG) project was declared a 'significant project for which an environmental impact statement (EIS) is required' in July 2008. The project is a four-phase project involving two new coal mines at Daunia and Caval Ridge, expansion of the existing Goonyella Riverside mine and the relocation of the Moranbah Airport. It proposes 20 million tonnes per annum (Mtpa) of new coking coal exports and related infrastructure in the Bowen Basin.

The proponent is BHP Billiton Mitsubishi Alliance Coal Operations Pty Ltd (BMA), a joint venture of BHP Billiton (50 per cent) and Mitsubishi Corporation (50 per cent).

On 3 June 2011, BMA lodged a change request for the Caval Ridge Mine (CRM) (change request number 3), to amend the conditions imposed by the Coordinator-General to initiate the BBCG Project Housing Impacts Study (housing study), required for approval of workforce accommodation plans for the project.

This Coordinator-General's change report evaluates change request number 3. The request relates to the current requirement for BMA to engage Queensland Treasury's Office of Economic and Statistical Research (OESR) to produce a housing study in accordance with a terms of reference (TOR) agreed with the Moranbah BMA Community Network (BCN) and approved by the Coordinator-General.

Following a period of consultation between OESR, BMA and the Office of the Coordinator-General, it is determined that BMA is unable to directly contract OESR to conduct the housing study under the original terms of Condition 18 in the Coordinator-General's evaluation report for an EIS (Coordinator-General's report). As an alternative, all parties have agreed in principle to amend Condition 18 broadly according to BMA's change request dated 3 June 2011.

It is proposed that the Coordinator-General request OESR to provide the necessary data and advice for BMA to prepare the housing study. In this way, BMA will be able to meet the intent of the conditions in the Coordinator-General's report on the CRM project.

In addition to the above, the change request seeks amendment to condition 10 specifying the timing for the draft social impact management plan and the related housing plan for the project. This would allow these requirements to be aligned with the updated conditions for commencement of the work required for the housing study.

The proposed amendments are not intended to have a material impact on the project nor the effect of the conditions imposed by the Coordinator-General. Accordingly, it was recommended, and accepted, that public notification of the matter is not necessary.

The Coordinator-General has assessed the request for project change, and approves amending Conditions 10 and 18. Revised conditions are set out in subsection 5.3 of this change report (page 11).

Keith Davies
Coordinator-General
8 July 2011



1 Description of the proposed change

1.1 The proponent

The Caval Ridge Mine (CRM) project proponent is BM Alliance Coal Operations Pty Ltd (BMA). It is a joint venture of BHP Billiton (50 per cent) and Mitsubishi Corporation (50 per cent).

1.2 Background

The Bowen Basin Coal Growth (BBCG) project was declared a 'significant project for which an environmental impact statement (EIS) is required' in July 2008. The project is a four-phase project involving two new coal mines at Daunia (Phase 1) and Caval Ridge (Phase 2); and an expansion of the existing Goonyella Riverside mine (Phase 3) and the relocation of the Moranbah Airport (Phase 4). It proposes 20 million tonnes per annum (Mtpa) of new coking coal exports and related infrastructure in the Bowen Basin.

The status of the individual phases of the project is explained below.

1.2.1 Phase 1

The Coordinator-General's report on the Daunia mine was released on 29 October 2009. This mine is currently under construction.

1.2.2 Phase 2

The Coordinator-General's report on the CRM was released on 9 August 2010. The new mine proposes 5.5 Mtpa of export coking coal plus the processing of a further 2.5 Mtpa of coal sourced from BMA's adjoining Peak Downs mine. The CRM is located 17 kilometres south of Moranbah in Central Queensland.

Two applications for change to the Coordinator-General's conditions for CRM have been determined and Coordinator-General change reports have been released. The third change request, which is the subject of this change report, relates to the initiation of the housing study.

BMA has not yet made a financial investment decision on the CRM.

1.2.3 Phase 3

The Goonyella Riverside mine project is an expansion of the existing Goonyella Riverside open-cut and Broadmeadow underground coking coal mines, to increase capacity from 16 Mtpa to 24 Mtpa. Capital expenditure has not been advised.

1.2.4 Phase 4

The Moranbah Airport project is yet to establish a final location. Environmental studies will follow this decision. Estimates of capital expenditure, jobs, and construction start and end dates are yet to be advised.



1.3 Prior applications for project change

1.3.1 Change request number 1—workforce accommodation

On 29 September 2010, BMA lodged a change request seeking approval for the proposed Buffel Park village accommodation facilities for the CRM operational and construction workforce. The request was for 2500 permanent accommodation rooms at Buffel Village. The Coordinator-General considered that this request could not be approved in its entirety. The resulting change report was approved on 18 February 2011.

1.3.2 Change request number 2—environmental authority

On 10 November 2010, BMA lodged a change application seeking to amend the conditions regarding the timing of granting the project's Environmental Authority (EA), when the public response to advertising the application unexpectedly received no objections. Consequently, the Department of Environment and Resource Management (DERM) was automatically put into a position where, pursuant to section 228 of the *Environmental Protection Act 1994* (EP Act), it was required to issue the CRM EA by 18 November 2010. The Coordinator-General's change report for this request, amending the timing of conditions linked to the granting of the EA, was approved on 16 November 2010.

1.4 Proposed change request number 3—housing impacts study instigation

1.4.1 Condition 10—social impact management plan

Condition 10 required BMA to submit a draft SIMP within three months of advertising the draft EA for the CRM. Due to the earlier-than-expected approval of the EA, amendment of the timing of the draft SIMP is proposed, as described in BMA's change request of 3 June 2011, and in subsection 5.3 of this change report (page 11).



1.4.2 Condition 18—BBCG Project Housing Impacts Study

Condition 18 required BMA to engage OESR to undertake the housing study to analyse the impact of each component of the BBCG project, including the Daunia mine and the expansion of the Goonyella/Riverside mine on the housing market in Moranbah or surrounding areas.

Due to contractual issues, BMA is unable to engage directly with OESR. BMA requests that the Coordinator-General engage OESR to provide data and advice to BMA, to allow BMA to complete the housing study.

The timing for the housing study and its TOR was initially linked to the granting of the EA, then amended to the date of 2 May 2011, in Coordinator-General's change report number 2. As this date has passed, it is not feasible to meet the timing condition.

BMA is requesting that compliance with the 2 May 2011 date be removed, as it is not practicable. Instead, it is proposed that the Coordinator-General request OESR review the study prior to its approval by the Coordinator-General. The timing proposed for the housing plan, which follows the study, would be linked to the approval of the housing study.

Condition 18 specifies how data generated in the housing study is to be shared and retained by BMA and OESR. Due to the proposed amendments to Condition 10 referred to above, these will require adjustment to give effect to the intent of the Coordinator-General's report.

Details of the proposed amendments to Coordinator-General imposed conditions are described in BMA's change request of 3 June 2011, and in subsection 5.3 of this change report (page 11).

2 Proponent's reasons for the change

2.1 Condition 10—social impact assessment

BMA's change request of 3 June 2011 states:

The proposed change to Condition 10(a) acknowledges the close interrelationship between the SIMP and the housing study and housing plan. This change enables the mitigation strategies in the SIMP to be informed by the outcomes and recommendations of the imposed BBCG Housing Impact Plan (Condition 18(k)). Incorporation of the outcomes of the housing plan is a requirement of Condition 18(q) and delaying the release of the draft SIMP until after the plan has been approved will reduce confusion and reduce the potential of consultation fatigue if the mitigation strategies change and need to be consulted on again. BMA consider that the proposed delay in releasing the draft SIMP for review will not impact on the ability to present a final SIMP for approval within 6 months of the commencement of construction as per Condition 10(c).



2.2 Condition 18

2.2.1 BBCG Housing Impact Study

Following release of the Coordinator-General's report in August 2010, BMA approached OESR to begin discussions on how Condition 18(f) could be implemented.

During initial discussion between BMA and OESR to commence the study, it became apparent that it was not contractually possible to comply with Condition 18(f) as it is currently worded. It was not possible for OESR to be directly contracted by BMA to prepare a study and provide advice and recommendations for approval by the Coordinator-General.

To ensure that the intent of the condition is met (that is, preparing a housing impact study within its approved TOR) the following solution was proposed by BMA, in consultation with OESR:

- BMA complete the BBCG project housing impact study based upon a TOR reviewed and agreed to by the BCN and approved by the Coordinator General.
- That the Coordinator-General engages OESR to provide data and advice to BMA in order for them to prepare the study. The Coordinator-General will request OESR's review of the draft housing study.
- Intellectual property of all work performed by OESR will be retained by the Queensland Government. In return for the fee charged to the Coordinator General by OESR, BMA will be granted permission to utilise this work in developing the housing study and resultant housing plan.

BMA believes that this approach will ensure that the study can take place in a timely manner and inform the outcomes of its housing impact mitigation strategies in compliance with Condition 18(k). This approach would maintain the integrity of the analysis through review by OESR prior to approval by the Coordinator General. BMA reports that it has consulted with the BCN regarding the study TOR and has responded to the comments received through this process.

2.2.2 BBCG Housing Impact Plan

The intent of the proposed changes to the housing impact plan components of Condition 18 is to align the delivery of the housing plan with the housing study.

3 Public notice decision

In accordance with section 35G of the SDPWO Act, the Coordinator-General must decide whether or not to require the proponent to publicly notify the proposed change application and any effects on the project.



The proposed changes applied for relate only to the timing of specific obligations and do not materially affect the specific obligations contained in the relevant conditions. Accordingly, it is the view of the Coordinator-General that the administrative nature of the proposed changes did not warrant public consideration and the request for project change was not publicly notified prior to evaluating the change application.

4 Evaluation of the change request

In change request number 3—housing study, housing plan and SIMP (dated 3 June 2011), BMA outlined detailed changes to conditions 10 and 18, to give effect to the proposed amendments.

4.1 Condition 10 – social impact management plan

Condition 10(a) currently reads:

Within three months of advertising of the draft environmental authority (EA) for the CRM, the proponent must submit a draft Social Impact Management Plan (SIMP) consistent with the *Social Impact Assessment (SIA) Unit, draft guideline and template requirements (2010)*, for review by the Coordinator-General prior to release. The SIMP must include:

The proposed change links the timing of the draft SIMP to that of the housing study. It is evident that the current requirement is not practicable as it has already passed.

Consequently, it is appropriate that the timing for the housing study be linked to the approval of the housing plan, which itself is dependent on the satisfactory completion of the housing study. This deferral of the draft SIMP is not expected to impact on the ability of the proponent to present a final SIMP for approval within six months of commencing construction, as per Condition 10(c).

Similar proposed changes to conditions 18(h), (i), (n) and (o) relate to the timing of the requirements of the housing study and housing plan (refer to subsection 5.3 on page 11 of this change report).

4.2 Condition 18 – BBCG Project Housing Impacts Study

The ability of BMA to contract directly with OESR to obtain the demographic survey and analysis work to contribute to the housing study is not considered workable.

The proposed change would allow the Coordinator-General to engage with OESR to provide the data and advice to BMA for the preparation of the study. Following legal consultation among the parties, this is considered to be feasible.

The data the Coordinator-General will provide to BMA would be in consideration of the fee for the work done being levied on the Coordinator-General by OESR. This approach would allow the Coordinator-General to retain the intellectual property for the data collected and the draft housing analysis work.



A commercial undertaking for the proponent to reimburse the Coordinator-General for the fee charged by OESR to the Coordinator-General would be required to ensure the proponent is responsible for the costs—as specified in the original condition. The proponent has agreed to this arrangement.

The requirement for the housing study to be based on the TOR for the study (which is to be agreed by the BCN) remains unchanged, as OESR would continue to fulfil this condition. An adjustment to the TOR would be required to reflect the change to the parties to the study.

5 Conclusion

Pursuant to section 35I of the SDPWO Act, the evaluation of the BMA change application, dated 3 June 2011, concludes:

The proposed changes to conditions 10 and 18 in the Coordinator-General's report and subsequent change report number 1 are acceptable.

5.1 Condition 10 – social impact management plan

The changes proposed by BMA, as outlined in the change request, relate to wording, are administrative in nature, and have no material effect on the intent of the initial conditions imposed in the Coordinator-General's report and subsequent Coordinator-General's change report number 1.

5.2 Condition 18 – BBCG Project Housing Impacts Study

OESR would continue to play a key analysis role in preparing the study. Importantly, it has been agreed that OESR will take on the added role of reviewing the results of the study, which provides a prudent competence check on the rigour of the analysis process.

The changes proposed by BMA retain, in principle, the intent of the original condition for BMA to produce the housing study, and to ensure that the intellectual property entitlements of OESR can be retained.

A minor adjustment to the TOR, reflecting a change in the commercial parties for the housing study, will be required. BMA is conditioned to arrange for this adjustment, which is to be agreed by the BCN and approved by the Coordinator-General.



5.3 Revised conditions

Conditions 10 and 18 are re-worded as follows:

Condition 10 (social impact management plan)

Replace 10(a) with the following:

- (a) Within three months of submitting the BBCG Project Housing Impact Plan, the proponent must submit a draft social impact management plan (SIMP) consistent with the Social Impact Assessment (SIA) Unit's *Guideline to preparing a social impact management plan* (2010), for review by the Coordinator-General prior to release. The SIMP must include:

Condition 18 (BBCG project housing impacts study)

Replace 18(f) with the following:

- (f) The proponent must undertake a BBCG Project Housing Impacts Study (including the CRM and Daunia Mine) which will provide an analysis of the impacts of each component of the BBCG project on the housing market in Moranbah or surrounding areas.

Add a new paragraph below 18(f) as follows:

- (fa) The Coordinator-General will provide the proponent with the necessary data and information to enable the study to be undertaken.

Replace paragraphs 18(h), (i), (j), (n) and (o) with the following:

- (h) The report for the study in (f) must be presented to the Coordinator-General who may request the OESR to review the study prior to approval by the Coordinator-General.
- (i) If the Coordinator-General determines that the final study report in (h) does not meet the terms of reference approved under (g), then the report must be subsequently amended and presented to the Coordinator-General for approval.
- (j) The results of the study in (f) must be made publicly available and be considered in future revisions of the CRM SIMP.
- (n) The final draft of the plan in (k) must be presented to the Coordinator-General within two months of approval of the report specified in (f).
- (o) If the Coordinator-General determines that the final draft of the plan presented under (n) does not meet the terms of reference approved under (l), then the plan must be subsequently amended and presented to the Coordinator-General for approval within two months of the rejection of the initial draft plan presented in (n).



Conditions made in this report are made pursuant to section 35I(2) of the SDPWO Act. As per section 35K of the same Act, the Coordinator-General's report for the EIS for the project and the Coordinator-General's change reports have effect for the project. However, if the reports conflict, the Coordinator-General's change report prevails to the extent of the inconsistency.

A copy of this report will be given to the proponent, pursuant to section 35J of the SDPWO Act.

A copy of this report will be made publicly available, pursuant to section 35J of the SDPWO Act, at: **www.deedi.qld.gov.au**

