



SOCIAL IMPACT MANAGEMENT

As an integral part of establishing the Bylong Coal Project (the Project), KEPCO Bylong Australia (KEPCO) is committed to the management of potential social impacts and to creating long-term social and economic benefits to communities within the Bylong Valley and surrounding areas.

A Social Impact Assessment (SIA) has been completed as a component of the Project's Environmental Impact Statement (EIS). The purpose of the SIA was to develop a socio-economic profile of the local area to determine the potential social impacts and opportunities of the Project.

Based on the findings of the SIA and associated EIS, a Preliminary Social Impact Management Plan (Preliminary SIMP) has been developed outlining KEPCO's commitment to managing potential social impacts on local communities, and enhancing the Project benefits and social opportunities for the local region.

During the development of the SIA and the Preliminary SIMP, KEPCO and its Project team consulted extensively with stakeholders, including local government, key state government agencies and departments, and local communities.

POPULATION GROWTH

Due to the effects of rural decline, the population of the Bylong Valley has been decreasing since the 1980s. As such, the Project offers an important opportunity to reverse this trend, introduce new residents into the local area, facilitate economic growth and boost the provision of social services and facilities.

The Mudgee region is expected to experience strong population growth over the next 20 years. The Mid-Western Regional Council (MWRC) is actively planning its development of community services to accommodate this growth. With careful planning and targeted financial and indirect contributions, KEPCO is confident any increase in demand for social services and infrastructure from the Project can be appropriately accommodated and or managed.

ECONOMIC VITALITY

The development of resources associated with the Project will deliver considerable economic and social benefits to the various levels of the Australian economy.

The Project will provide net production benefits (present value) to Australia of \$596 Million (\$315 Million to New South Wales (NSW)) and will:

- Create approximately 830 direct and indirect jobs within the Mid-Western Regional Council area
- Create approximately 1,496 direct and indirect jobs in NSW
- Continue and extend financial support to the region, NSW and Australia with the provision of taxation and royalty benefits of \$592 Million over the Project life.

HOUSING AND ACCOMMODATION

KEPCO continues to work closely with MWRC and the community to maximise local benefit from the Project. As part of this dialogue, KEPCO has recently updated workforce accommodation studies with a view to housing its construction workforce in existing accommodation throughout the MWRC local government area (LGA) rather than constructing a Workforce Accommodation Facility in the Bylong Valley.

The construction workforce will likely be accommodated through a combination of the use of:

- Existing KEPCO-owned housing in the Bylong Valley
- Private housing in the local area
- Short-term (e.g. rentals, hotel/motels) accommodation options in the local area as necessary.

KEPCO is committed to encouraging operations employees and their families to relocate permanently to within a one hour

commute of the Project, principally within the communities of Bylong, Mudgee, Rylstone and Kandos.

EMPLOYMENT OPPORTUNITIES

The Project will benefit local and regional communities through the provision of new direct and indirect employment opportunities, with up to approximately 665 people required at peak construction and up to 470 people during peak operations. The Project will also increase the size of the labour force available for the non-mining sector through the introduction of new residents associated with Project employees and their families.

COMMUNITY INFRASTRUCTURE

Comprehensive engagement has been undertaken with local service providers to discuss potential social impacts.

Service providers confirmed that the majority of predicted Project impacts on individual services including health, and primary and secondary education services will be able to be absorbed by the 'natural' growth of those services.



Kandos High and Public Schools beautification project – recipients of funding from KEPCO's Community Investment Fund

COMMUNITY LIVEABILITY

The results of local resident perception surveys of community wellbeing indicate that the majority of Bylong Valley residents perceive that they would be happy living in the valley into the future, quality of life will be the same or better, and that the community has a bright future. For its part, Mudgee is a thriving community with a diverse economic base whereas the smaller centres of Kandos and Rylstone are struggling to sustain population and key services and will benefit from economic enhancements afforded by the Project.

PRELIMINARY SOCIAL IMPACT MANAGEMENT PLAN

A Preliminary SIMP has been prepared to facilitate stakeholders' understanding of the potential social impacts and opportunities associated with the Project, and set a framework for how these potential impacts and benefits will be appropriately managed and monitored throughout the life of the Project.

To inform the preparation of the Preliminary SIMP, the socio-economic baseline was updated and additional stakeholder engagement undertaken to verify social impacts and inform the proposed social impact management measures.

The Preliminary SIMP identifies key management tools and five key action plans which aim at mitigating social impacts and enhancing social benefits. KEPCO's key social impact management commitments include:

- Contribution of more than \$3.6 million to MWRC road upgrades including upgrades to sections of Wollar Road travelling through the Munghorn Gap Nature Reserve and some pertinent sections of the Bylong Valley Way
- Voluntary Planning Agreement where KEPCO makes contributions to MWRC for regional infrastructure and services
- Establishment of Project Community Consultative Committee
- Community Investment Strategy
- Local Content Policy and Plan
- Recruitment and Training Strategy
- Workforce Accommodation Strategy
- Labour Force Study
- Indigenous Participation Plan
- Mine Closure Plan
- Environmental Management, Construction Management and Mine Operations Management

A Final SIMP will be prepared should Project approval be granted. The community will continue to be consulted to provide their input to the Final SIMP, including management plans, prior to the SIMP being completed.

FURTHER INFORMATION

Please contact the Bylong Coal Project Team on 1800 BYLONG (1800 295 664) or email at bylong@worleyparsons.com.