

Expert Witness Statement of Mr Tim Offor

Expert of Gunns Limited

1 Name and address

Timothy Offor
Director
Offor Sharp & Associates Pty Ltd
103 Merricks Road
Merricks North Vic 3926
Ph. 5989 7676

2 Area of expertise

My general areas of expertise is social impact assessment, stakeholder engagement and sustainable development.

My specific expertise relevant to the project includes:

- Bald Hills Wind Farm Proposal – Socio-economic Impact Assessment and expert witness testimony,
- Yaloak Wind Farm – Interviews with Landholders and Occupiers in the Vicinity of the Proposed Wind Farm, quantitative survey of attitudes to the visual impact of the wind farm, and expert witness testimony,
- social and economic research regarding a proposed wind farm in Nirranda South, Victoria,
- BassGas Project – social impact assessment,
- Commonwealth Games Village, Parkville – community and consultation plan,
- Hancock Victorian Plantations – community relations and negotiation advice,
- Waverley Park Redevelopment – social issues analysis,
- Kew Cottages Redevelopment – research into social issues, and
- Nirranda Wind Farm – Socio-economic Assessment.

My qualifications are detailed in Annexure A.

3 Scope

3.1 Instructions

Offor Sharp & Associates was engaged to undertake the following work:

- Validate Gunns' consultation data by speaking to relevant stakeholders, review submissions on the draft IIS and prepare an expert witness statement; and

- Give expert evidence to the Panel Inquiry into representations in the draft IIS.

3.2 Process/methodology

At all stages I worked with Offor Sharp & Associates Pty Ltd.

In formulating this advice, I have reviewed the material listed in section 3.3. We have also researched the literature relating to the social impact of large infrastructure projects. Interviews of community and government representatives were undertaken by the author and Barbara Sharp, an OfforSharp Director. This research was conducted with the assistance of Dr Lucy Healey, consultant anthropologist and researcher.

In reviewing the public submissions I have sought to identify all significant social issues raised. Gunns' lawyers, Freehills, provided access to submissions via an electronic database and requested a response relating to social issues for 13 submissions.

To validate data provided within the IIS and to develop a better understanding of potential impacts in some key areas, interviews were conducted with a number of community and government stakeholders. The purpose of these was not to re-do the stakeholder consultation aspect of the SIA but to identify whether the *major* issues of interest to the SIA had been identified in the IIS.

Five face-to-face interviews were conducted with residents within the Rowella area. All properties were selected at random by doorknocking. Properties were located between the line of Rowella Road and the proposed pulp mill site. Five were residential properties, one a commercial vineyard. One property was exposed to a full view of the site from the residence. One property had glimpses from upper-storey windows and another had no view from the residence but extensive views from elsewhere on the property. The other two were not able to see the site at all. The current chip mill operations were audible from all residences. Confidentiality was assured for all interviewees. Street addresses can be provided in camera if required.

Five telephone interviews were conducted with representatives of local government, emergency services and state government representatives. Names and affiliations are provided in Annexure D.

Additional analysis of Australian Bureau of Statistics data was undertaken to develop a more detailed demographic profile. This was based on Community Profiles (first release processing) from the 2001 Census.

3.3 Reports reviewed

The following material was reviewed in preparing this witness statement:

- Public submissions
- Independent Advice to RPDC, Gunns Pulp Mill IIS Assessment, August 2006 (Farley Consulting Group & The Work Lab)
- Integrated Impact Assessment sections relating to:
 - (1) Social and Community Impacts and Management Measures
 - (2) Workers' Accommodation Facility
 - (3) Public Consultation

- (4) Sections of IIS Volume 2 covering potential biophysical and economic impacts that may result in social impacts
- Documents prepared by the Pulp Mill Task Force covering accommodation and experience with the Comalco Gladstone Smelter
 - Media coverage of the proposal, and
 - Report by Brothers & Newton on property prices and rentals.

3.4 Assumptions

None specific to social impacts beyond those referred to in the text of this opinion.

3.5 Limitations and exclusions

This expert opinion is based only on data available on the public record and information provided in interviews. In scoping the potential social impacts, I have not included any impacts that may be associated with any change to the forest harvesting regime, on the basis of Gunns' statements that the pulp supply can be met from existing sources at current harvesting rates. Nor have I included the consideration of any specific social issues associated with the Aboriginal community on the basis that these have been undertaken through the indigenous heritage studies. Tourism issues are outside the scope of my engagement, so only general observations have been made of potential impacts. While potential impacts on people's state of mind are described, any resulting impacts on their physical or mental health are not discussed as they are outside my professional experience.

3.6 Definitions

Social impact: the consequence to human populations of any public or private actions that alter the ways in which people live, work, play, relate to one another, organise to meet their needs and generally cope as members of society. This includes cultural impacts involving changes to the norms, values and beliefs that guide and rationalise their thinking about themselves and their society (The Interorganizational Committee on Principles and Guidelines for Social Impact Assessment, 2003).

Social impact assessment: "the process of analysing (predicting, evaluating and reflecting) and managing the intended and unintended consequences on the human environment of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions so as to bring about a more sustainable and equitable biophysical and human environment" (Vanclay, 2003).

Social change processes: A social process (e.g. increase in population) that is not in itself an impact, but causes social impacts.

4 Summary of opinions on Bell Bay Pulp Mill

4.1 If project were to proceed

A detailed discussion of social impacts and recommended management and mitigation measures is provided in Section 6.4.

In summary, my opinion on the social impacts of the proposal as presented in the IIS, is:

- The most significant *negative* impacts would be experienced during the construction phase. The major negative impacts would be associated with accommodating the construction workforce, particularly, the impact of the increased demand on housing availability and rentals in the region, which would be expected to rise. This would affect low-income households most significantly. Negative impacts may also be experienced by the tourism sector (outside of accommodation providers) due to a shortage of tourist accommodation.
- There are already fears and concerns about negative impacts of the construction workforce amongst the George Town community. If the recommended mitigation measures relating to the accommodation facility are undertaken and the workforce issues well managed, including an effective communication process, the fears and concerns should abate once construction begins.
- There is the potential for negative impacts from the leisure activities of workers in the local community, both from friction with the local community and anti-social behaviour. It is my opinion that these impacts would be largely manageable providing early, proactive measures were taken.
- Negative impacts on some social services and infrastructure are also possible. There would be expected to be increased demand for policing and workplace medical and emergency medical services, at least. Possibly also, based on experience elsewhere, there would be an increased demand on social services due to people who arrive in the area seeking work. The negative impacts on social services and infrastructure cannot be quantified at this time as their extent would depend to a large extent on how the project is implemented, and the extent to which pro-active measures were taken to prepare for and manage social change and biophysical processes that can cause negative impacts.
- There would be a significant increase in traffic, particularly heavy vehicles during construction, which may cause impacts on road infrastructure and safety. The implications and mitigation of road traffic issues are outside the scope of this statement and are not discussed further.
- Some residents on the Rowella Peninsula would experience negative impacts on their lifestyles, and possibly property values, due to construction and ongoing operation of the facility. The major biophysical impacts that could result in social impacts would be noise and changes to the visual amenity, in particular. Residents closest to the pulp mill, particularly those within the viewshed, would be most affected. The level of impact would depend to some extent on the disposition of these residents to the project.
- There would be some relatively short-term negative impacts for properties along the route of the water supply and effluent pipeline associated with construction activities.
- There would be significant *positive* social impacts from the project. Foremost amongst these would be benefits flowing from increased jobs and supply of goods and services during the construction period. The

extent of these benefits would depend on the effectiveness of Gunns' local sourcing and employment practices, as well as the lead times for preparing contractors and potential employees.

- There would also be significant positive social impacts arising from the ongoing employment, supply of goods and services, and payment of taxes and rates from the operation of the mill.

On balance, my opinion is that if the project was well implemented and the recommended management and mitigation measures are put in place as early as possible, the project would provide a significant net social benefit to the local community, the region and the state. If not well implemented, there would be significant negative social impacts and reduced local benefits, which could shift the balance the other way.

4.2 If project were to not proceed

If the project were not to proceed, most of the negative impacts identified in this statement would not occur. Those negative impacts currently being experienced by some residents of the Rowella Peninsula and some people who feel strong, negative emotions about the proposal, relate to the planning and approvals process, and these would largely abate.

Similarly, the predicted positive impacts relating to benefits flowing from increased employment and demand for jobs and services would not be realised.

5 Peer Review of Social and Community Impacts as presented in the IIS

5.1 Method and SIA Principles

In reviewing the IIS, I have focussed on the major issues I consider relevant to identifying and mitigating the social impacts of the project, including its associated infrastructure.

In undertaking this review, I have used as a point of reference the US Principles and Guidelines for Social Impact Assessment and the International Principles for Social Impact Assessment prepared by the International Association for Impact Assessment. There is no similar Australian framework for analysing an SIA, so this US framework, which was delivered by a multi-stakeholder process to support social impact assessment within the context of the US National Environmental Policy Act 1970, and can be considered a reasonable benchmark for undertaking an SIA.

5.2 General Comments on Social Impact Assessment in the IIS

The following general comments are based on the publicly available IIS documents. The results of any supplementary investigations undertaken by Offor Sharp & Associates have not been included in this section.

General comments on GHD Social Impact Assessment:

- I am in general agreement with the social change process and impacts described in the social impacts assessment, but believe that the actual human impact of an impacting process has in many cases not been identified in the IIS.

- The structure of the report creates some barriers to easy appreciation of the social implications of the project. Social impacts of the pulp mill facility and associated infrastructure are largely treated together, which has the effect of generalising a number of specific impacts. In some cases, the specific impacts are dealt with in another technical report or section of the IIS. It is preferable that an SIA brings these together into one place and lays them out for easy comprehension – both for external audiences and for the project team. Normal practice would be to bring together impacting processes and impacts identified by both stakeholders and specialist consultants, and analyse the social implications of these based on professional judgement and experience elsewhere. For example, amenity impacts of pipeline construction (noise, dust, disrupted access) are addressed in Volume 3, Section 6 but are only discussed in the SIA under mitigation as “Construction EMP to manage noise, dust and other construction effects”.
- Page 4 refers to development of “social assessment criteria based on key social indicators for the area” but there is no evidence of this being done.
- Description of study areas does not adequately define and map the study areas. A map is provided (some pages further on) showing the local study area as being a circle with a 12 km radius of the project site but the rationale for this definition is not provided (note, this is described as a 20 km radius on page 4). There is no map of the regional study area. The description of the study areas would typically be based more on what is known about distribution of affected communities and movement of people around the area, rather than as a circle, which it is assumed was designed to capture the closest major township.
- Section 4: Community services & facilities. This covers the range of services but is too general in places to be of much guidance in assessing potential social impacts. It appears to suffer somewhat from the lack of focussed consultation over community facilities, particularly in areas such as emergency services and housing assistance (considering the scale of the project and the potential level of impacts, additional consultation in these areas, at least, would have been appropriate).
- Section 5: Community profile. The extent to which the study area relates to census collector districts (CCDs) is difficult to judge. The SIA states that the local study area includes 35 collection districts and it would have been helpful to map these and to consider any differences between CCDs (or groups of CCDs) within the local study area as defined by the 12 km radius (e.g. George Town versus any regional areas such as Rowella). This would have required additional analysis but the data are readily available and the overall community profile section could have been considerably more insightful if it had been undertaken. Information on dwelling tenure should have provided some insight into the potential level of exposure to accommodation pressures.
- Section 6: Consultation. Three interviews are insufficient. Also, the limited scope of interviews risks obtaining too narrow a view. It would have been better to go to sources closer to the provision of services as far as possible.
- Section 6.3: Community interviews. These provided limited information for the SIA. No information is provided on the age or gender of the respondents. It is normal for shopping centre surveys to be biased towards women but little detail is provided on methodology so this aspect cannot be considered.

There is no information on whether quotas were sought to balance gender proportions. Further information on methodology was sought from GHD but was not available in time to be considered for this statement.

- Section 7: Potential social impacts. Tables present the issues identified through consultation and described as “Stakeholder identified impact”. Numerous insertions of “real or perceived” by authors is unnecessary and has the effect of casting doubt on the issue where it is included, which is inappropriate unless the issue was presented in this way by the stakeholder(s).
- Section 8: Comparison of perceived impacts and the outcomes of technical studies. This appears to be seeking to compare biophysical impacts and processes identified by stakeholders (which may constitute “fears” or “concerns about possible impacts”) to actual biophysical impacts and processes. There is an unfortunate change to the column headings when the table is repeated V2: Section 7 of the main IIS, which makes it more difficult to understand if the original SIA report is not read. The stated purpose of the table is to “define the rate or level of the perceived social impact from technical studies”. It wasn’t clear what this statement means. It also states that “additional impacts were identified beyond those listed in the perceived social impacts table”, but doesn’t indicate from where these were sourced.
- Potentially interested or affected people were not identified from the outset as would be good practice. Nor was there evidence of the involvement of potentially affected people in the scoping or conduct of the SIA beyond the limited interviews and shopping centre survey. Stakeholder involvement in the scoping of the SIA would have deepened the analysis.

General comments on IIS Volume 2, Section 7:

- The comments relating to the GHD SIA also apply to this section of the IIS.
- The methodology applied in obtaining Table 163, where qualitative assessments of mitigation impacts are added to qualitative assessments of potential social impact to arrive at an overall impact rating is not robust. The value of a mitigation measure is a product of both the selection of an appropriate measure and the effectiveness of its execution. Implicit in the data within Table 163 is the assumption that the mitigation measures are both appropriate and effectively executed. On the basis of the lack of detail provided on mitigation measures at this stage, such a treatment is unwarranted.

6 Findings of supplementary interviews and analysis

6.1 Introduction

The review of the Social Impact Assessment indicated that some additional work should be undertaken in the following areas in order to gain a better understanding of the potential social impacts of the proposal:

- a more detailed demographic analysis to identify whether there are any particular social issues that need to be taken into account

- consultation with some Rowella residents who are likely to be affected by the proposal to ensure the major issues relevant to social impacts have been identified and mitigation strategies considered
- consultation with some more service providers, particularly in the areas of emergency services and housing, and
- some research into experiences in other localities where large infrastructure projects had been undertaken.

The following sections of this witness statement incorporate the findings of this additional work, which was conducted by Offor Sharp & Associates over October–November 2006.

6.2 Issues raised through community interviews

The following discussion relates to new issues identified through community interviews that were not covered in the IIS. A full summary of issues raised is provided in Annexure E.

Summary of new issues raised:

Information provision: The need for more information on the project and more direct contact from Gunns was generally raised.

Powerlessness: All interviewees expressed a view that there was no way the pulp mill would be stopped.

Uncertainty: All interviewees expressed concerns about the uncertainty the project had introduced into their lives.

Mitigation: Acquiring the most impacted properties, or making some financial contribution to adjust for any loss of value, was a new mitigation measure suggested by four interviewees.

6.3 Community description and demographics summary

The following discussion summarises conclusions that can be drawn about the community based on some additional analysis of Australian Bureau of Statistics Community Profiles from the 2001 Census and interviews, which is provided in Annexure B.

In summary:

- Relatively lower median weekly individual income in George Town (\$200-299) compared to Tasmania and Australia (\$300-399)
- Relatively lower median weekly family income in George Town (\$600-699) compared to Tasmania (\$700-799) and Australia (\$800-999)
- Slightly lower proportion of private housing (owned or being purchased) in George Town (mean: 63%, range: 41.5%-68.6%), compared to West Tamar (79.2%), Tasmania (69.1%) and Australia (65.5%)
- A higher proportion of public housing in George Town (mean: 13.2%, range: 3-32.9%) compared to Tasmania (6.4%) and Australia (4.5%)
- An overall greater proportion of rental housing in George Town (mean: 28.3%, range: 16.9-44.9%) compared to Tasmania (24.1%) and Australia (26.3%)

- Higher unemployment (based on Community Profiles) in George Town (mean: 13.2%, range: 8.3-23%) compared to Tasmania (10.1%) and Australia (7.4%)
- Lower labour force participation rate (based on Community Profiles) in George Town (mean: 50.6%, range: 39.6-60.3%) compared to Tasmania (56.6%) and Australia (59.6%).
- Analysis of census collection district data within the George Town SLA indicates George Town has a significant population of relatively low-income residents. Those of them who are outside the public housing sector would be vulnerable to increases in rental. A high unemployment rate in some CCDs indicates that there are opportunities here for suitably targeted skills development and employment programs, particularly for the 15-24 year age group.

The following information on more recent property price movements and rental rates has been obtained from advice from Brothers & Newton, independent valuers and property consultants. This advice was obtained by Gunns Ltd and is provided as Annexure G of this statement.

Property values in George Town generally have increased considerably since 2003 in line with trends in Tasmania generally. Median house prices increased by 30.4% from the first quarter of 2004 to the June quarter of 2006 (Brothers and Newton, 2006).

Rentals for three bedroom houses in George Town ranged from \$150 to \$200 per week in 2004. Since this time, rentals increased by 15.7% in the Launceston area and are expected to increase by a further 10-15% (Brothers & Newton, 2006).

The vacancy rate for residential property in Tasmania as a whole in September 2006 was 2.2%. Applying this figure to the 9,989 houses listed in the Greater Launceston Statistical Sub-division in the 2001 Census indicates there are approximately 220 properties in this area available for rent (Brothers & Newton, 2006).

6.4 Potential social impacts identified and associated management measures

The following discussion covers the major social impacts that we consider may result from the pulp mill as presented in the IIS, as well as recommended management and mitigation measures. Impacts are grouped according to the major social and biophysical change processes associated with the project.

Management and mitigation

The major management and mitigation measures proposed to address the impacts are:

Consultation plan: A detailed plan should be prepared covering the period leading up to and through construction. Contents of this should include: consultation goal and objectives, stakeholders, communication tools, roll-out of consultation activities and an evaluation process.

Complaints handling and dispute resolution: A Complaints Handling and Dispute Resolution Procedure should be developed in consultation with community and other stakeholders. This should be integrated with the company's (or head contractor's) management system for the project.

Community liaison committee: A community liaison committee should be set up at the earliest opportunity. This should include community representatives from impacted communities (Rowella and George Town), George Town Council, George Town Chamber of Commerce, key emergency service providers, accommodation facility manager, head construction contractor, and Gunns (at a minimum).

Workers' accommodation facility: The 800-bed accommodation facility is an important component of mitigating the impact of the construction workforce on the availability of accommodation in the region.

Sourcing of additional accommodation: all possible alternative accommodation sources should be explored, such as joint ventures with Housing Tasmania to construct new accommodation, use of student accommodation, use of off-peak tourist accommodation, so as to manage demand within the private rental and peak tourist markets within acceptable levels.

Active management of accommodation: The securing and occupancy of accommodation (outside of the accommodation facility) should be managed under contract to Gunns to maximise the efficiency of use and manage occupancy rates within agreed targets. Occupancy targets should be set to manage negative social impacts (such as rent increases and impacts on the tourism sector) within levels that are considered acceptable to relevant state agencies.

Local purchasing and employment policies: Clear, publicly available, local purchasing and recruitment policies should be prepared and incorporated into the company's (and/or head contractor's) management system.

Managing anti-social behaviour: Management of the potential negative impacts of accommodating up to 800 workers in a single location on the edge of the township can be achieved through normal workplace health and safety management systems. The accommodation facility should be covered by a workplace occupational health and safety system compliant with AS/NZS 4801. An occupational health education program should be included to proactively address potential issues such as alcohol and drug abuse, sexually transmitted diseases and use of sex workers. These should be developed in consultation with the local medical practice, which provides occupational health services to the other industrial facilities in the region. Negative social impacts would be lessened if workers were encouraged to return home at weekends or other intervals, rather than stay on site.

Job and contracting-ready programs: Early action should be taken to develop a local skills register and to advertise locally the range of job and contracting opportunities expected to be available (extending the current program being managed by the Tasmanian Government to local areas). Training programs, as proposed within the IIS, to maximise opportunities for the local and regional communities are strongly endorsed.

Social monitoring: Social monitoring should be undertaken based on a set of social indicators agreed with local service providers and state government agencies. This should be sufficiently resourced to enable sampling at appropriate frequencies that will enable corrective action to be taken if negative trends emerge that require mitigation. This should include monitoring of anti-social and criminal behaviour and road accidents from early in the project to identify any increasing incidence of negative impacts and allow corrective action to be taken. Oversight of social monitoring could be incorporated into a specific community relations role with the proponent or major contractor.

Emergency management and site safety plan: The proposal within the IIS to develop an emergency management and site safety plan in consultation with emergency services providers is endorsed.

Upgrading emergency services capacity: Some upgrade of police infrastructure and services appears warranted. Gunns should incorporate some on-site emergency response capacity, including qualified first aid staff.

Workplace medical services: Gunns should contract the additional resources required to provide routine workplace medical services such as medical check-ups during the construction phase.

Worker transport: To reduce road traffic, as far as possible, worker transport from accommodation within the local area should be through coordinated bus services from central collection points, as proposed for the accommodation facility.

Loss of property value: If it can be independently established that properties have declined in value due to the pulp mill, this is a situation where Gunns may need to consider acquiring the most affected properties at an independently arbitrated price in those cases where residents were wishing to sell.

Social impacts

Social and biophysical change process and associated social impacts are summarised in Table 1. Social impact descriptions draw on Vanclay (undated).

Table 1: Social change processes and associated social impacts

SOCIAL CHANGE PROCESSES	SECONDARY SOCIAL PROCESSES	POTENTIAL SOCIAL IMPACTS (without mitigation)
Increase in short-term (construction) population	Increased expenditure by employees and contractors in local community	SI1: Increased affluence and standard of living (+ve)
	Increased demand for tourism accommodation by construction workforce reduces regional tourism	SI1: Increased affluence and standard of living for tourist accommodation providers (+ve) SI2: Reduced affluence and standard of living for some (non-accommodation sector) tourism service providers (-ve)
	Increased demand for rental accommodation by construction workforce leads to increased rentals and reduced availability (causing displacement of low-income families)	SI3: Reduced affluence and standard of living due to increased rental payments (-ve) SI4: Increased economic inequity (-ve) SI5: Disruption to social networks associated with relocation (-ve)
	Housing of 800 short-term workers in temporary accommodation	SI6: Fears of violence and reduced personal safety (-ve) SI7: Various issues associated with meeting the needs of construction workers (-ve)
	Attraction of job-seekers to the area	SI10: Reduced adequacy of social services and infrastructure (-ve)
	¹ [This cell deliberately left blank]	SI10: Reduced adequacy of social services and infrastructure (-ve)
	Increase in proportion of male population (temp)	SI8: Increased social tensions and divisions in the community (-ve) SI6: Fears of violence and reduced personal safety (-ve)

¹ Some social impacts derive directly from the social change process and no secondary process has been identified.

SOCIAL CHANGE PROCESSES	SECONDARY SOCIAL PROCESSES	POTENTIAL SOCIAL IMPACTS (without mitigation)
		SI9: Increased domestic violence (-ve)
Increase in long-term population	Increased pressure on local services and infrastructure	SI10: Reduced adequacy of social services and infrastructure (-ve)
	Increased expenditure in local economy by employees and contractors	SI1: Increased affluence and standard of living for goods & service providers (+ve)
	[This cell deliberately left blank]	SI11: Increased value of home (George Town) (+ve)
Increased economic activity associated with mill construction and operations	Increased purchase of local products and services to supply the mill	SI1: Increased affluence and standard of living (+ve) SI12: Reduced service levels due to high demand (-ve)
	Increased payment of taxes, rates etc. (to government/ council)	SI13: Improved social services and infrastructure (+ve)
New job creation	Increased employment of local people Increased training of local people Flow-on benefits to economy Attraction of workers into more highly-paid jobs	SI1: Increased affluence and standard of living (+ve) SI15: Improved employment choices (+ve) SI16: Increased workload for some employees and business owners (-ve)
Industrial tourism	Increased expenditure in local economy	SI1: Increased affluence and standard of living (+ve)
Project assessment and decision-making process	[This cell deliberately left blank]	SI17: Distress and outrage over process (and decision) (-ve) SI8: Increased social tensions and divisions (-ve) SI18: Sense of loss of empowerment (-ve) SI19: Concern about impacts on Tasmania generally (-ve)

Table 2: Biophysical impacts and associated social impacts

BIOPHYSICAL IMPACTS	INDIRECT SOCIAL PROCESSES	POTENTIAL SOCIAL IMPACTS
Visibility of new mill and wharf infrastructure (daytime and night lighting)	Out-migration of local residents	SI20: Reduced amenity of surrounding environment (-ve) SI21: Annoyance and distress over visual impacts (-ve) SI22: Increased stress and anxiety (-ve) SI23: Loss of positive aspirations about the future (-ve) SI25: Real or perceived loss of property value (-ve) SI27: Reduced aesthetic quality of outlook (-ve)

Noise from mill and associated infrastructure (construction and operation - includes earth moving equipment, blasting, operating machinery...)	Out-migration of local residents	SI20: Reduced amenity of surrounding environment (-ve) SI21: Annoyance and distress over noise impacts (-ve) SI22: Increased stress and anxiety (-ve) SI25: Real or perceived loss of property value (-ve)
Emissions to air (odour, Nox, Sox, particulates)	² [This cell deliberately left blank]	SI24: Worsening perceptions about personal health (-ve)
Emissions to water (dioxins, general pollution)	[This cell deliberately left blank]	SI19: Concern about impact on marine environment (-ve)
Dust, noise, visual change, inconvenience from pipeline construction	[This cell deliberately left blank]	SI20: Reduced amenity of surrounding environment (-ve) SI21: Annoyance and distress over noise and dust impacts (-ve) SI19: Concern about impact on native flora & fauna (-ve) SI26: Disruption to daily activities (-ve) SI27: Reduced aesthetic quality of outlook (-ve)
Traffic associated with construction and operation	[This cell deliberately left blank]	SI28: Real or perceived reduction in safety on the roads (-ve) SI21: Annoyance and distress over road traffic and associated noise (-ve) SI26: Disruption to daily activities (-ve)

All impacts discussed are considered sufficient to warrant either mitigation (of negative impacts) or enhancement of their positive benefits (such as to improve the equity of the distribution of benefits).

(a) Major social impacts and recommended management and mitigation measures

This section addresses the impacts identified in the above table and recommended management and mitigation measures. It is structured according to the relevant phase of the project from planning through to operation.

Planning phase

Planning-phase impacts are those associated with the project approvals and decision-making process.

² In these cases the direct biophysical impact is considered to cause a potential social impact.

Table 3: Planning phase social impacts and management and mitigation measures

SOCIAL IMPACT	DISCUSSION	MANAGEMENT AND MITIGATION MEASURES
<p>Distress and outrage (SI-17) Short-term*</p>	<p><u>Experienced by:</u> People opposing project and parts of Rowella community</p> <p>Rowella residents who were either campaigning against the project or felt they would be directly, negatively affected described and demonstrated strong emotions, distress and a sense of outrage that the project was even being considered.</p>	<p>Good, two-way communication and a good, transparent, decision-making process are the most effective management measures for this impact. Distress can be reduced through effective communication that acknowledges the validity of community views.</p> <p>A Consultation Plan should be prepared covering the period leading up to and through construction. Contents of this should include: goal and objectives, stakeholders, communication tools, roll-out of consultation activities, evaluation process.</p> <p>A Complaints Handling and Dispute Resolution Procedure should be developed in consultation with community and other stakeholders. This should be integrated with the company's (or head contractor's) management system for the project.</p>
<p>Sense of loss of empowerment (SI-18) Short-term</p>	<p><u>Experienced by:</u> People opposing project</p> <p>Some residents of Rowella demonstrated cynicism about the project approvals process and believed they could do little to influence the decision-making process. This is a commonly experienced social impact of the planning phase for any controversial project.</p>	<p>Effective communication including acknowledgement of people's right to speak out against the project together with a good, transparent, decision-making process are the most effective mitigation measures.</p>
<p>Increased social tensions and divisions (SI-8) Short-term</p>	<p><u>Experienced by:</u> Local community</p> <p>This is a potential issue with any project where there are supporters and opponents. The police have not reported any increased social frictions relating to the project, nor were these reported in any community interviews but it remains a potential impact if the project proceeds. Social divisions have been experienced with Victorian wind farm projects but in this case the split appears to be caused in part by differential benefits accruing to landowners who lease land for the wind-farms.</p>	<p>Effective communication including acknowledgement of people's right to speak out against the project together with a good, transparent, decision-making process are the most effective mitigation measures.</p>

SOCIAL IMPACT	DISCUSSION	MANAGEMENT AND MITIGATION MEASURES
<p>Increased stress and anxiety (SI-22) Short-term</p>	<p><u>Experienced by:</u> Parts of Rowella community</p> <p>As the sector of the community that will most directly experience negative amenity and possibly economic impacts, the Rowella residents interviewed demonstrated increased stress and anxiety, particularly due to uncertainties about what their actual experience of the project would be and whether or not to make decisions about re-locating.</p>	<p>Good, two-way communication, particularly with those most affected by the project, will be the most effective management measure. Gunns should ensure that potentially affected residents are supplied with important information directly as it becomes available. Direct mail and/or letter-box drops should be made at regular intervals. This should be incorporated into the Consultation Plan.</p>
<p>Concern about impacts on environment and Tasmania generally (SI-19) Short and long-term</p>	<p><u>Experienced by:</u> People opposing project</p> <p>It is clear from media coverage and interviews that people are concerned about the possible impacts of the project on the environment. Most frequently cited of these are impacts of air pollution (odour, particles of 2.5um and less, NOx, SOx) on the Launceston airshed and impacts of discharged effluent on the marine environment and on the economy. Frequently cited also, through media and in interview, were concerns that a pulp mill project and the associated long-term commitment to forestry was not the right direction for Tasmania.</p>	<p>Effective communication including acknowledgement of people's right to speak out against the project together with a good, transparent, decision-making process are the most effective mitigation measures.</p>

**Notes: Short-term is taken to be within the duration of the planning and construction phase. Long-term would be enduring through into the operational phase.*

Construction phase

Table 4: Construction phase social impacts and management and mitigation measures

SOCIAL IMPACT	DISCUSSION	MANAGEMENT AND MITIGATION MEASURES
SERVICES		
<p>Reduced adequacy of social services and infrastructure (SI-10) Short-term</p>	<p><u>Experienced by:</u> Local and regional community</p> <p>Impacts on social services would be mainly the result of the large construction workforce. Impacts on social services could include emergency services (ambulance, police, fire, SES), infrastructure (roads, recreational facilities, utilities), social services (counselling, housing support, general healthcare, emergency medical). Additional demand for support services (e.g. material aid) may result from the attraction of job-seekers who are unsuccessful in securing work (Gladstone CAS, pers. comm.)</p> <p><u>Police:</u> The George Town police station services George Town and is not presently staffed 24 hours. A peak workforce of 2,900 accommodated in a range of facilities in George Town and surrounding areas (possibly with an associated increase in anti-social behaviour or at least public fears of this) may necessitate an increased level of policing at George Town and the current infrastructure and staffing would be insufficient to support this.</p> <p><u>Ambulance:</u> George Town has a 24-hour ambulance service provided by one FTE ambulance officer (two on back-to-back shifts) and a team of volunteers. The ambulance service is of the view that the current level of service is sufficient as back-up can be provided from Launceston within 25-30 min if needed. This assumes that Gunns will provide some on-site emergency response capacity including Certificate 3-level first-aid staff, defibrillator and oxygen therapy equipment. This is discussed in more detail in Section 4.2.</p> <p><u>Fire service:</u> The service recently allocated \$300,000 to upgrade facilities and are planning to bring in new equipment. The service</p>	<p>The overarching principle for mitigating impacts on social services and infrastructure is to take early action, as far as possible before the main construction workforce and associated impacts arrives. This is the major mitigating effect observed by Glasson (2005) and Brown, Clay, Paksima, Dorius & Rowely (2003) in their research on social impacts of major power projects in the USA and UK.</p> <p><u>Emergency services generally:</u> Early action (preferably prior to approvals being obtained) should be taken to develop a coordinated response to providing emergency services. This should involve all key emergency service providers in George Town.</p> <p><u>Police:</u> some upgrade of police facilities and policing capacity appears warranted – at least to address likely increased demand during the construction phase. This will also help to reassure the public that policing standards will not decline if the project is approved. George Town police are understood to have made an application for additional funds to address this issue.</p> <p><u>Ambulance:</u> Gunns should incorporate some emergency response capacity on site, including qualified first aid staff and basic emergency first aid equipment. The details of this should be developed in consultation with emergency service providers. Existing arrangements where resources are shared between the major industrial facilities should also be extended to cover the pulp mill.</p> <p><u>Workplace medical services:</u> Gunns should contract the additional resources required to provide routine workplace medical services such as medical check-ups during the construction phase. Existing services available in George Town should be sufficient to meet the needs of the facility once it is operating.</p> <p><u>Roads:</u> Some upgrades are required and it is understood that plans are underway for this work to be undertaken.</p> <p><u>Transport:</u> Once accommodation arrangements have been better defined, bus transport with central pickup and</p>

SOCIAL IMPACT	DISCUSSION	MANAGEMENT AND MITIGATION MEASURES
	<p>once upgraded is expected to have sufficient capacity to cope with any additional demands due to the pulp mill.</p> <p><u>State Emergency Service:</u> The SES comprises three paid positions in the northern region and a team of volunteers. The George Town SES is expected to have sufficient capacity to cope with any additional demands due to the pulp mill.</p> <p><u>Roads:</u> Some upgrades to roads will be required and \$60m of Federal Government funding is available and can be applied for this purpose in the region. Specific issues raised in interviews were: improvements to some of the major road surfaces and alignments around some key intersections associated with the construction and operation phases.</p> <p><u>Transport:</u> Additional bus transport would be required for the construction workforce.</p> <p><u>Hospital:</u> The George Town hospital provides 15 acute care beds but no emergency department. It is presently being upgraded. A full range of emergency medical services are available in Launceston.</p> <p><u>Emergency medical:</u> The Anne Street medical clinic provides emergency medical support to the ambulance service. The capacity of this service to meet any additional demands has not been verified.</p> <p><u>Workplace health:</u> Additional workplace health services would be required to support the construction workforce.</p> <p><u>Social workers:</u> George Town Council provides social work services through three federally-funded social workers.</p>	<p>drop off points should be provided to reduce vehicle traffic as far as possible.</p>

SOCIAL IMPACT	DISCUSSION	MANAGEMENT AND MITIGATION MEASURES
<p>Reduced service levels due to high demand (SI-12) Short-term</p>	<p><u>Experienced by:</u> General community</p> <p>The high demand for local service providers, particularly in the building-sector associated trades, is expected to impact on response times and availability of services for non-pulp mill purposes.</p>	<p>The best mitigation for this negative impact is early preparation. A system needs to be put in place for registering local trades people's interest in pulp-mill associated work. This could also serve to identify additional resources to meet normal demand for trades. Advertising in local newspapers – which could be undertaken jointly by Gunns and local councils – should notify people of the potential for an impact on tradespeople and the mitigation measures being put in place.</p>
ECONOMIC		
<p>Reduced affluence and standard of living (SI-2) Short-term</p>	<p><u>Experienced by:</u> Tourism-related (non-accommodation) sector</p> <p>A negative impact on non-accommodation sector tourism-related industries (e.g. vineyard cellar-door sales, restaurants, tour guides) is possible due to a shortage of tourist accommodation resulting in reduced tourism during the construction phase. The extent to which this is an issue depends on the number of construction workers to be accommodated and decisions yet to be made about the best accommodation mix. Any decisions about workforce accommodation should take into account potential negative impacts on the tourism sector.</p>	<p>Gunns should, in conjunction with the State, set clear occupancy parameters for each accommodation sector so as to ensure that impacts on tourism and any other potentially affected sectors can be predicted and managed. Identification of available accommodation and management of accommodation bookings should be actively managed under contract as part of the project. Occupancy data should be collected and reported publicly at three-monthly intervals through the construction phase.</p>

SOCIAL IMPACT	DISCUSSION	MANAGEMENT AND MITIGATION MEASURES
<p>Increased affluence and standard of living (SI-1)</p> <p>Short and long-term</p>	<p><u>Experienced by:</u> Goods and service providers; employees; local, regional and state communities</p> <p>Significant benefits could flow to local, regional and state providers of goods and services. The magnitude of these benefits will depend to a large extent on Gunns’ purchasing and recruiting policies (and those of its alliance partners) as well as the timeliness of preparing the workforce (in terms of awareness and skills) and suppliers. Local benefits will be substantially increased through adopting an “adjacency principle” whereby workers and companies in communities closest to the site have first opportunity for jobs and supply providing they are capable and competitive (Storey, 2001).</p> <p>Tourist accommodation providers may benefit from higher and more consistent occupancies compared to the normal “peaks and troughs” associated with tourist accommodation.</p> <p>Significant economic benefits will flow to the general community, beyond just the direct employees and suppliers of the project. These benefits are discussed in Volume 2, Section 6 of the IIS and will not be developed further here.</p>	<p>These positive benefits can be enhanced for the local and regional service providers through early preparation.</p> <p>This should include:</p> <ul style="list-style-type: none"> • preparing clear, publicly available, local purchasing and recruitment policies and ensuring these are incorporated into the company’s (and/or head contractor’s) management system • extension of the supplier development program to ensure contractors in George Town and surrounding districts are targeted • maintenance of skills registers • a communication program to ensure suppliers and potential employees are kept informed • design of shifts to free up tourist accommodation at weekends • use of non-tourist accommodation such as student accommodation.

SOCIAL IMPACT	DISCUSSION	MANAGEMENT AND MITIGATION MEASURES
<p>Reduced affluence and standard of living due to increased rental payments (SI-3)</p> <p>Short and long-term</p>	<p><u>Experienced by:</u> Low income rental households</p> <p>The demographic analysis of George Town – and discussions with service providers – indicates the presence of a significant low-income population, many of whom are renters. Experience elsewhere – such as Ravensthorpe and Karratha in Western Australia and Gladstone Qld – indicates that a significant increase in rents is possible associated with the construction phase of major infrastructure projects.</p> <p>Related to this impact is a possible shortage of crisis accommodation brought about by the same supply and demand factors (Gladstone CAS, pers. comm.).</p> <p>Significant accommodation pressure – and with this a likely increase in rentals – should be expected on the basis of the current proposal including an 800-bed workforce accommodation facility. The IIS assumes 1,040 (36%) workers will be employed locally and will use their own homes. A further 1,060 (37%) will be accommodated in existing tourism and rental stock. This would represent 11% of the total accommodation available within 50km, based on accommodation data provided by the Pulp Mill Task Force. Based on 2004 data, occupancy rates within the Greater Launceston region typically range between a summer peak of slightly over 80% and a winter trough of about 40%, with an underlying upwards trend for both. This indicates that, if well managed, there is sufficient capacity within 50km, but that there may be little surplus stock available at peak times to meet other demands such as emergency housing unless measures are taken to “insulate” sufficient reserve within some sectors.</p>	<p>The impact of the project on rentals will be largely determined by the number of the workforce who are to be accommodated in the private rental market. Mitigation measures could include:</p> <ul style="list-style-type: none"> • The construction of the accommodation facility is a significant mitigation measure. Negative impacts on the private rental market are potentially much worse without the accommodation facility. • Targets for maximum occupancy should be set within each accommodation sector to ensure impacts on rentals and the tourism sector are maintained within acceptable levels (as determined in consultation with the State). Allocation of accommodation should be managed actively by a contractor to ensure these are not exceeded. • Use of accommodation outside the private rental sector as far as possible (e.g. student accommodation, tourist motels) • Work with alliance partners to stage the construction process as far as possible to manage labour peaks and troughs. • Explore opportunities to increase the available accommodation through joint ventures with organisations such as Housing Tasmania and educational institutions (these could involve commitments to rent for the duration of the construction period which may provide the necessary security for the agencies to bring forward planned property projects). • Release of developable land early enough for houses to be available for the workforce. • Gunns should work with state and local government to set accommodation targets that will not cause an unacceptable increase in rentals.

SOCIAL IMPACT	DISCUSSION	MANAGEMENT AND MITIGATION MEASURES
<p>Increased value of home (SI-11) Short and long-term</p>	<p><u>Experienced by:</u> Property owners in George Town and environs</p> <p>An increase in the value of private homes and land has been predicted in the economic impact assessment. This has been reported from other towns associated with large infrastructure projects such as Port Hedland (WA Dept Community Development, pers. comm.)</p>	<p>This is generally a positive impact that will increase the affluence and ultimately the standard of living of property owners. The negative impact will be to reduce housing affordability, which will impact most on the low-income sector of the community. There is little that can be done to mitigate this impact other than to manage as far as possible the scale of demand for short-term housing.</p>
<p>Increased economic inequity (SI-4) Short and long-term</p>	<p><u>Experienced by:</u> Sectors of community not gaining benefits</p> <p>There is the potential for the social and economic benefits of the project to further polarise the socio-economic status of the George Town community. The extent to which this occurs will depend on Gunns' purchasing and employment policies (and those of its alliance partners) and the extent to which it takes a coordinated approach to recruitment and supply with local and state government agencies.</p>	<p>Management of this impact will be best achieved through purchasing and recruitment policies (as previously discussed) and well-targeted skills development and recruitment programs. The current initiative to register contractors should be extended into the local community and a public awareness campaign undertaken to clearly explain the opportunities available and how companies and individuals can best position themselves to take advantage of them.</p> <p>Gunns should also work with <i>local</i> Centrelink, TAFEs and contractors to develop appropriately targeted training and employment programs, as an extension of the training initiative proposed in the IIS.</p>
SOCIAL NETWORKS		
<p>Disruption to social networks associated with re-location (SI-5) Short and long-term</p>	<p><u>Experienced by:</u> Any people forced to re-locate</p> <p>If there is increasing competition for rental properties associated with upward pressure on domestic rents it is expected that some people on low incomes will be forced to seek alternative accommodation. The most vulnerable will be private renters on monthly arrangements or whose leases expire early in the planning and construction period. Low-income renters may seek to be accommodated in public housing locally but there is currently a waiting list of 13 in George Town (Department of Housing, pers. comm.). People forced to seek accommodation elsewhere may need to establish new social networks and experience distress and social dislocation in losing existing networks.</p>	<p>The best mitigation is to avoid the displacement of low income earners through the accommodation measures previously discussed. Housing Tasmania and George Town Council social workers should be involved to advise on housing issues during the planning stages, possibly through the existing George Town Steering Committee.</p>

SOCIAL IMPACT	DISCUSSION	MANAGEMENT AND MITIGATION MEASURES
<p>Various issues associated with meeting the needs of construction workers (SI-7)</p> <p>Short-term</p>	<p><u>Experienced by:</u> Construction workers</p> <p>Single construction workers or those who do not bring families with them (which is typically the large majority for such projects) can experience a range of social impacts associated with their isolation from friends and family. The nature and extent of these impacts – and any secondary impacts associated with workers fulfilling basic needs – will depend to a considerable extent on the final arrangements for accommodating them.</p> <p>The accommodation facility as proposed in the IIS will be designed to minimise the need for residents to use external facilities. On-site facilities will include catering, communal entertainment facilities, wet mess and gym. All the same, if working on the currently proposed 8-hour shifts, they will have time on their hands and some will likely go off-site in their spare time.</p> <p>Some negative secondary impacts can be expected to be associated with the construction workers. These might include:</p> <ul style="list-style-type: none"> • Increased drug and alcohol abuse and introduction of new drugs or new sources of drugs into the community (George Town Police, pers. comm.; Glasson, 2005; Ravensthorpe Police, pers. comm.) • Increased cases of sexually transmitted diseases (a concern raised in submissions but not supported by experience on Tasmania’s west coast reported in the Tasmanian Government submission) • Increased activity of sex workers. Prostitution is illegal in Tasmania and there is currently no identified prostitution in George Town (George Town Police, pers. comm.) 	<p>The proposed 800-bed workers’ accommodation facility is an important factor in managing the negative impacts of the construction workforce on George Town. While not necessarily widely supported by the community, experience with other large construction projects demonstrates that this “internalisation” of a significant proportion of the workforce is a preferred approach with fewer social impacts than seeking to accommodate the whole workforce in existing accommodation such as private houses, B&Bs, motels etc. (Glasson, 2005; Ravensthorpe Nickel, pers. comm.)</p> <p>The proposed accommodation facility appears to be of an appropriate standard for the purpose. Management of the potential negative impacts of accommodating up to 800 workers in a single location on the edge of the township can be achieved through normal workplace health and safety systems. The accommodation facility should be covered by a workplace occupational health and safety system compliant with AS/NZS 4801. Under this structure, the manager of the accommodation facility should establish the normal occupational health and safety policies and procedures associated with a company workplace. It would be best if these were consistent across the whole pulp mill operation. The OH&S management system would include policies and procedures covering site induction, fitness for work, behaviour at the facility, alcohol and drug use and testing, use of rooms and facilities etc. Compliance with these policies and procedures should be included as conditions within all contracts. These should include the zero tolerance to aggression policy recommended by Farley Consulting Group.</p> <p>An occupational health education program should be included to proactively address potential issues with sexually transmitted diseases and use of sex workers. These should be developed in consultation with the local medical practice, which provides occupational health services to the other industrial facilities in the region.</p>

SOCIAL IMPACT	DISCUSSION	MANAGEMENT AND MITIGATION MEASURES
	<ul style="list-style-type: none"> • Increased road traffic offences (Glasson, 2005; Ravensthorpe Police, pers. comm) • Increased pressure on recreation facilities. <p>Measures to mitigate these potential impacts are discussed in Section 4.2.</p>	<p>Recreational and leisure planning should be undertaken with George Town Council to help the integration of the workforce into the local community (Farley Consulting Group).</p> <p>Social impacts would be lessened if workers were encouraged to return home at weekends or other intervals, rather than stay on site.</p> <p>The positive impacts of the accommodation facility could be further enhanced if it could be designed so that at least parts of it could serve an enduring social benefit (e.g. camp accommodation, low cost or temporary accommodation) at another location.</p> <p>A <u>community liaison committee</u> including company, government, service agencies and community members should be established for the overall pulp mill project and can provide advice on issues and possible management measures during the planning, construction and operation phases of the accommodation facility. It may also be necessary to create a smaller sub-group focussed solely on the workers accommodation facility, which includes resident representatives. The police force should be closely involved during the planning stages.</p> <p>An effective mitigation measure for anti-social and criminal behaviour is scrutiny, whether by contract security personnel or the police, and the regular feedback of relevant data to the facility manager and liaison committee to allow corrective action. Experience using this approach with the construction force for the Sizewell B nuclear facility in the UK was that workforce-related behavioural problems dropped off quickly over time (Glasson 2005).</p>

PERSONAL		
<p>Fears of violence and reduced personal safety (SI-6) Short-term</p>	<p><u>Experienced by:</u> Local community Interviewees in the local government and emergency service sectors have reported that there are concerns in the George Town community about anti-social behaviour from workers accommodated at the proposed 800-bed workers accommodation facility, and that this is a major reason for community opposition to the facility. It has also been reported that there are already perceptions that the main street of George Town is unsafe and that this will be exacerbated by the pulp mill construction workforce.</p>	<p>Education of the general community about the facility and how it will be managed to minimise negative impacts such as those suggested here, will be the most effective management strategy.</p>
<p>Distress and outrage (SI-17) Short-term</p>	<p><u>Experienced by:</u> People opposing project Some opponents of the project experience strong emotions, distress and a sense of outrage that the project is being considered.</p>	<p>Mitigation as for the planning phase.</p>
<p>Increased social tensions and divisions (SI-8) Short-term</p>	<p><u>Experienced by:</u> Local community This is a potential issue with any project where there are supporters and opponents. The police have not reported any increased social frictions relating to the project, nor were these reported in any community interviews but it remains a potential impact. Social divisions have been experienced with Victorian wind farm projects but in this case the split appears to be caused in part by differential benefits accruing to landowners who lease land for the wind-farms.</p>	<p>Mitigation as for the planning phase. Social measures related to tensions and divisions should be included in the social monitoring program.</p>
<p>Increased domestic violence (SI-9) Short-term</p>	<p><u>Experienced by:</u> Local community Service providers reported anecdotal evidence of increased domestic violence during previous major plant upgrades in George Town associated with “marital disharmony” (A Taylor, pers.comm.).</p>	<p>Monitoring of anti-social and criminal behaviour from early in the project to identify any increasing incidence of issues such as domestic violence will allow an informed decision to be made if it proves to be a problem. The community liaison committee should receive regular reports on agreed social indicators to allow appropriate responses to be planned.</p>

<p>Sense of loss of empowerment (SI-18) Short-term</p>	<p><u>Experienced by:</u> People opposing project Residents of Rowella demonstrated cynicism about the project approvals process and believed they could do little to influence the decision-making process. This is a commonly experienced social impact of the planning phase for any controversial project.</p>	<p>Mitigation as for the planning phase.</p>
<p>Increased workload for some employees and business owners (SI-16) Short-term</p>	<p><u>Experienced by:</u> Business sector generally It is anticipated that the high demand for labour during construction will attract workers away from less well-paid jobs, causing an increased workload for some sectors where these positions cannot be readily filled.</p>	<p>Early preparation to ensure the necessary labour force is available is the best way to minimise this negative impact. A general community education campaign explaining the potential positive and negative impacts, and how it is proposed that they be managed, will allow local and regional businesses to prepare well in advance of this becoming a problem.</p>

ASSOCIATED WITH BIOPHYSICAL CHANGES		
<p>Reduced amenity of environment (SI-20) Short and long-term</p>	<p><u>Experienced by:</u> Parts of Rowella community, visitors</p> <p>There will be a negative impact on the visual amenity of residents within the viewshed of the pulp mill. There are also fears that residents on the Rowella peninsula that they will be exposed to odour and particulates injurious to their health. Regarding noise, there is currently an amenity impact for some residents that will persist once the pulp mill is constructed. During construction, there will be additional amenity impacts from the noise of rock blasting.</p> <p>Impacts may also be experienced by visitors to the area for the purposes of tourism or recreation (e.g. on Tamar River) and this may serve to discourage some recreation in some areas during construction.</p>	<p>The IIS reports that the facility has been designed to minimise its visual intrusiveness and it appears little more is available in terms of technical mitigation. That said, the social impacts of reduced amenity are best mitigated through technical solutions in the first instance, and Gunns should continue to look for opportunities in this area.</p> <p>Construction-phase amenity impacts can be mitigated to some extent through establishing good communication with the potentially affected residents – and any visitors to affected recreation areas – and ensuring that they have the necessary knowledge about the nature, timing and duration of potential amenity impacts. A complaints handling and dispute resolution procedure should be established and explained to all potentially affected residents. This should include a dedicated complaints line available 24/7.</p>
<p>Annoyance and distress (SI-21) Short and long-term</p>	<p><u>Experienced by:</u> Parts of Rowella community</p> <p>Impacts of noise (e.g. blasting, machinery operations) and the visual impact can be expected to cause annoyance and distress for some residents.</p>	<p>As for SI-20.</p>
<p>Increased stress and anxiety (SI-22) Short-term</p>	<p><u>Experienced by:</u> Parts of Rowella community</p> <p>Approval of the project and commencement of construction can be expected to cause increased stress and anxiety for some residents. Some interviewees at Rowella reported to already be suffering stress and anxiety due to the proposal and their concerns for its impact on their property values and amenity.</p>	<p>As for SI-20.</p>

<p>Disruption to daily activities (SI-26) Short- and long-term</p>	<p><u>Experienced by:</u> Parts of Rowella community, residents along water supply and effluent pipeline, commuters on East Tamar Highway</p> <p>Construction activities will disrupt the activities of some local residents on the Rowella Peninsula and along the water supply and effluent pipelines. It should be expected that some people will avoid outside activities during periods of noisy or dusty activity. This is likely to be weather dependent. Also, people travelling along the East Tamar Highway will be inconvenienced by construction traffic and roadworks.</p>	<p>As for SI-20.</p>
<p>Concern about impacts on environment and Tasmania generally (SI-19) Short and long-term</p>	<p><u>Experienced by:</u> Local, regional and state community</p> <p>As for planning stage.</p>	<p>As for the planning phase.</p>
<p>Real or perceived loss of property value (SI-25) Short and long-term</p>	<p><u>Experienced by:</u> Parts of Rowella community</p> <p>Rowella residents interviewed have reported concerns that their properties have been devalued by the pulp mill proposal, and will be devalued if it is constructed. If constructed, this uncertainty will be removed, allowing judgements to be made about any associated loss of value and decisions to be made about future choices.</p>	<p>If it can be independently established that properties have declined in value due to the pulp mill, this is a situation where Gunns may need to consider acquiring the most affected properties at an independently arbitrated price in those cases where residents were wishing to sell. These properties could either be put back on the market immediately or used to house the construction workforce.</p>
<p>Reduced aesthetic quality of outlook (SI-27) Short and long-term</p>	<p><u>Experienced by:</u> Parts of Rowella community, visitors</p> <p>People whose properties overlook the site of the pulp mill will experience a change to their view. In the cases of properties adjacent to the Tamar River, these changes will be significant and enduring and will appear as a conversion of a natural landscape to a largely industrialised landscape. For people who appreciate a natural landscape more than an industrial landscape – which should be expected to be the majority – this will represent a negative impact. Residents along the line of the water supply and effluent pipelines will experience relatively short-term negative visual impacts.</p>	<p>If this contributes to a permanent decrease in value then the approach recommended for SI-25 is recommended.</p>

<p>Real or perceived reduction in safety on the roads (SI-28) Short-term</p>	<p><u>Experienced by:</u> General community Community concerns about safety on the roads due to increased traffic during the construction and operation phases have been reported (A Taylor pers. comm.) and were raised in interviews.</p>	<p>Inclusion of appropriate road safety measures in the monitoring program will allow the impact of the project on road safety to be assessed and decisions to be made whether there are any unexpected negative safety issues that require mitigation.</p>
---	---	---

Notes: Short-term is taken to be within the duration of the planning and construction phase. Long-term would be enduring through into the operational phase.

Operation phase

Table 5: Operation phase social impacts and management and mitigation measures

SOCIAL IMPACT	DISCUSSION	MANAGEMENT AND MITIGATION MEASURES
<p>Increased affluence and standard of living (SI-1) Long-term</p>	<p><u>Experienced by:</u> Goods and service providers, employees, community as a whole (to a lesser extent) As for construction phase with the major beneficiaries being contractors and employees directly engaged in the operation. There will be positive flow-on benefits to the broader community.</p>	<p>The distribution of these benefits will be largely set by decisions made before and during the construction phase. Local benefits can be enhanced through Gunns' employment and contracting policies, as previously discussed.</p>
<p>Increased value of home (SI-11) Long-term</p>	<p><u>Experienced by:</u> Home owners in George Town and environs</p>	<p>As for the construction phase.</p>
<p>Improved social services and infrastructure (SI-13) Long-term</p>	<p><u>Experienced by:</u> Community as a whole The economic benefits of the pulp mill – through wages, purchases of goods and services etc. – will flow through taxes and rates to generate a positive impact on social services and infrastructure, both locally and for Tasmania as a whole.</p>	<p>Inclusion of appropriate economic measures in the monitoring program will allow the impact of the project to be assessed and decisions to be made as to whether more targeted flows of project benefits are warranted. This would be a decision for the State Government and Gunns.</p>
<p>Improved employment choices (SI-15) Long-term</p>	<p><u>Experienced by:</u> Labour force The creation of approximately 300 new jobs will provide increased employment choices for job seekers.</p>	<p>Inclusion of appropriate employment measures in the monitoring program will allow the impact of the project on the labour force to be assessed and decisions to be made whether the approach to employment should be varied.</p>
<p>Real or perceived loss of property value (SI-25) Short and long-term</p>	<p><u>Experienced by:</u> Parts of Rowella community As for construction stage.</p>	<p>As for the construction phase.</p>

SOCIAL IMPACT	DISCUSSION	MANAGEMENT AND MITIGATION MEASURES
<p>Reduced aesthetic quality of outlook (SI-27) Short and long-term</p>	<p><u>Experienced by:</u> Parts of Rowella community As for construction stage.</p>	<p>If this contributes to a permanent decrease in value then the approach recommended for SI-25 in the construction section is recommended.</p>
<p>Reduced amenity of environment (SI-20) Short and long-term</p>	<p><u>Experienced by:</u> Parts of Rowella community As for construction phase.</p>	<p>As for SI-27.</p>
<p>Worsening perceptions of quality of health Long-term</p>	<p><u>Experienced by:</u> Residents within the Launceston airshed Residents in the Rowella region expressed concerns about the potential health impacts of particulates from the stack emissions.</p>	<p>Inclusion of appropriate health measures in the monitoring program will allow the impact of the project on the health of the community to be assessed and decisions to be made whether there are any unexpected negative (or positive) health outcomes that require further investigation or mitigating actions. Communication over this should be incorporated into the consultation plan.</p>

Notes: Short-term is taken to be within the duration of the planning and construction phase. Long-term would be enduring through into the operational phase.

(b) Cumulative social impacts

The major cumulative social impacts are considered to be the following:

- Further pressure on housing rents in the region due to increased demand (due to a range of existing factors), which will have greatest impact on low-income families.
- Additional negative impacts for some residents of the Rowella Peninsula due to changes to the visual amenity of the area.

6.5 Response to Community Concerns and Key Submissions

Table 6 provides a brief response to issues raised in submissions that have been referred to me and the Independent advice provided to the RPDC by Farley Consulting Group. A cross-reference to the relevant section of this statement is provided for a more detailed discussion.

Table 6: Response to issues raised in submissions

Issue raised	Response	Submission	Text cross-reference
Additional detail on services & amenities requested	Some additional information on services and social infrastructure was sought, particularly relating to emergency services. Further information relating to school capacity and medical facilities was sought but not received in time to include in this statement.	Dep't of Education Tasmanian Government	Table 4, SI-10
Impact on rural communities of increased plantations	This matter was considered outside scope on the basis of Gunns' statements that the pulp supply can be met from existing sources at current harvesting rates.	The Greens Tasmania	Section 3.5
Shortage of skills will require overseas workers	First preference will be given to local employees and contractors. Skills shortages are best addressed by good, early planning.	The Greens Tasmania	Table 4, SI-1
Lack of alignment of local area with Guidelines	Noted. Use of different radii appears to be an error. Local areas in social impact assessments would be better defined according to community movement as well as geographic boundaries.	Tasmanian Government	Section 5
Alternatives to workers' accommodation facility	Despite reported public concerns about the workers accommodation facility, in the absence of a well-developed alternative proposal, this is preferable to attempting to accommodate the whole workforce within existing or purpose-built new accommodation within the general community.	George Town Council George Town Chamber of Commerce	Table 4, SI-3
No duplicated services within the workers' accommodation facility	The IIS proposes that "services will be provided by the open market", which is taken to mean that local service providers will have the opportunity to tender to service the facility. Some services, such as serving of refreshments, should be provided on-site and may compete with local providers (but these services may be provided to the site by local service providers in any case). While on-site provision of some goods and services may result in some reduction in economic benefit to local providers, it is recommended in order to provide a well-managed facility with the minimum negative social impacts due to large-scale movement of residents off-site.	George Town Council The Greens Tasmania	Table 4: SI-7

Issue raised	Response	Submission	Text cross-reference
Resourcing of emergency services	The status of emergency services and any resourcing issues are addressed in Section 6.4. Emergency services providers are aware of the resourcing implications of the project and have, if necessary, made applications for additional resources. This is an issue for the relevant agencies within the Tasmanian Government. The preparation of an Emergency Management and Site Safety Plan in consultation with emergency services providers will assist coordination.	George Town Council Tasmanian Government Farley Consulting Group	Table 4: SI-10
Impact on community services	Concerns are raised in a number of submissions about the impact of the project, and the construction workforce in particular, on community services. Also, that there will be a range of negative social impacts such as violence, social dislocation, and the spread of sexually transmitted diseases. The Tasmanian Government submission reporting experience with low notifiable sexually transmitted diseases associated with construction workforces on the west coast is noted. Detailed modelling of impacts was not undertaken as it was beyond the scope of this engagement.	George Town Council TASCOSS The Greens Tasmania Tasmanian Government Farley Consulting Group	Table 4: SI-7
Impact on housing availability and Supported Accommodation Assistance Program specifically	Potential impacts on the rental housing market and availability of emergency housing, and recommended mitigation measures, have been discussed in Section 6.4. Detailed modelling of impacts was not undertaken as it was beyond the scope of this engagement.	TASCOSS Shelter Tasmania Tasmanian Government The Greens Tasmania Farley Consulting Group	Table 4: SI-3
Impact on availability of tradespeople	It should be expected that the project will reduce the availability of local tradespeople but there are mitigation measures available.	Northern Midlands Council	Table 4: SI-2
Lack of quantitative information	Additional quantitative information on community impacts has been provided through this witness statement where possible. As most impacts are associated with the construction workforce, and further analysis is in train by Gunns and its alliance partners on labour supply and composition aspects, it should be possible to provide a quantitative analysis once the project construction process is better detailed in these areas.	Tasmanian Government	Annexure B

Issue raised	Response	Submission	Text cross-reference
Ongoing communication and consultation activities	A Consultation Plan covering the planning and construction phases is strongly recommended.	Tasmanian Government The Wilderness Society Farley Consulting Group	Section 6.4
Complaints handling policy	A complaints handling policy should be developed in consultation with key stakeholders in advance of the project commencing	Farley Consulting Group	Section 6.4
Further information required on community characteristics and social infrastructure	Some additional information on community characteristics and social infrastructure has been provided in this witness statement.	Tasmanian Government Farley Consulting Group	Annexure B
Medical and first-aid services	This submission recommends additional information be provided regarding attracting/recruiting medical staff. Tasmanian Government submission highlighting the shortage of general practitioners in the north of the state is noted. It has been recommended that Gunns contract the additional medical staff required for routine workplace-related medical services. Also, that it retain sufficient suitably trained first-aid staff to manage typical workforce injuries.	Tasmanian Government	Table 4: SI-10
Increase in public support for the pulp mill	The FIAT submission states that public support for the pulp mill has increased based on their own polling and the survey conducted by GHD reported in the IIS. Due to differing methodologies, this comparison is inappropriate.	FIAT	Section 5
Principles and guidelines relating to social impact assessment	This submission criticises the social impact assessment within the IIS for disregarding international principles and guidelines relating to SIA. Section 5 covering the peer review of the SIA addresses this issue.	The Wilderness Society	Section 5
Inclusion of information on other projects	Information on experience elsewhere has been provided where possible.	Tasmanian Government	Section 6.4
Statistics on local labour force	This submission recommends review of the labour force statistics in the IIS. It is agreed that there is an error in the last two columns of Table 150 and local employment rates should be significantly higher.	Tasmanian Government	
Loss of amenity on existing recreational areas	Discussed in Table 4: SI-20.	Tasmanian Government	Table 4: SI-20

Issue raised	Response	Submission	Text cross-reference
Need for recreational and leisure planning	The recommendation by Farley Consulting Group for recreational and leisure planning to facilitate integration of the local construction workforce is supported.	Farley Consulting Group	Table 4: SI-7
Zero tolerance to aggression policy	The recommendation by Farley Consulting Group for a zero tolerance to aggression policy is supported.	Farley Consulting Group	Table 4: SI-7
Further analysis of ABS data for housing trends	Additional analysis was undertaken by Brothers & Newton. The impact of construction workforce on housing has not been modelled. Gunns and its contractors are undertaking additional work on construction staging. This will affect the pattern of labour and consequent housing demand. Additional modelling work could then be undertaken if required. This issue is discussed in Table 4: SI-3 and Section 6.3.	Farley Consulting Group	Table 4: SI-3, Section 6.3
Raw questionnaire data from survey should be available to RPDC	Data are available from Gunns if required.	Farley Consulting Group	
Social impact data should be validated through focus groups	This was beyond the scope of this engagement. Focus groups would be useful in developing a range of mitigation strategies and the recommendation of Farley Consulting Group is supported.	Farley Consulting Group	
Appointment of a project officer or similar role to implement community mitigation strategies	This recommendation is supported.	Farley Consulting Group	
Interaction of social impacts with government legislation, policies etc.	An analysis against government policy was not undertaken as it was outside the scope of this engagement. Some of these issues have been raised in the Tasmanian Government submission and remain pertinent to the accommodation issue, in particular.	Farley Consulting Group	

7 Provisional Opinion

The opinions that I have expressed in this report are based on my experience and the experience and advice provided to me by Gunns Limited and the consultants engaged to carry out specialist studies for the proposed Bell Bay Pulp Mill.

I am satisfied through my inquiries that the opinions I have expressed are reasonable in regard to the social impacts of the project as formulated in the Draft Integrated Impact Statement.

8 Declaration

I have made all the inquiries that I believe are desirable and appropriate and that no matters of significance that I regard as relevant have to my knowledge been withheld from the Commission.



Timothy Offor

9 December 2006

Annexure A - Qualifications

Qualifications

- Bachelor of Science (Hons) (1985–86), The University of Melbourne
- Mediation and Co-mediation Courses, International Centre for Conflict Resolution, The University of Melbourne

Professional Associations

- Member, International Association for Impact Assessment
- Member, Australian Institute of Company Directors

Employment history

Director, Offor Sharp & Associates (1996–present). Director of a consultancy in stakeholder engagement, social issues research, social impact assessment, sustainable development, and public dispute resolution. Relevant consultancies conducted through OfforSharp have included:

- Bald Hills Wind Farm – socio-economic impact assessment
- Nirranda Wind Farm – socio-economic and tourism assessment
- Yaloak Wind Farm – independent report on community issues, survey of community attitudes to visual impacts
- Nirranda South Wind Farm – social research report
- BassGas Project – social impact assessment
- Ok Tedi Mine – stakeholder engagement and negotiation process design
- Commonwealth Games Village, Parkville – community plan
- Hancock Victorian Plantations – community relations advice
- Dollar Wind Farm – stakeholder engagement process advice
- Waverley Park Redevelopment – social issues analysis.

Manager Rural Programs, Greening Australia (Vic) (1995–96). Greening Australia Victoria is a non-government organisation that works with the community to restore and conserve native vegetation. This position was responsible for delivering Greening Australia's rural extension projects throughout Victoria, which included managing a network of 12 rural extension staff.

Acting Director/Covenant Manager, Trust for Nature (Vic) (1994–95). Developed and managed conservation programs for the TfN. Set up and managed a network of rural extension staff to liaise with landholders across the State.

Tutor, The University of Melbourne (1986–1991)

Mediator, Dispute Settlement Centre of Victoria

Annexure B – Demographic profile of local community

Some additional analysis of ABS data was undertaken to build on the demographic information provided in the IIS and so gain greater insight into the potential change processes, their social impacts and possible mitigation. The major focus on this was to build up a more detailed picture of the relative socio-economic condition of census collection districts within George Town and West Tamar statistical local areas compared to regional and Tasmanian averages. In so doing, we aimed to identify any significant measures and trends that may help to predict the social impacts of the proposal on different groups within the local community. Information gained from interviews with service providers has been included in this section to aid in the interpretation of the ABS data.

ABS data used were sourced from Census 2001 Community Profiles for the following statistical local areas and census collection districts: West Tamar SLA, George Town SLA, CD6020603 (George Town), CD6020604 (George Town), CD6020605 (George Town), CD6020606 (George Town), CD6020607 (George Town), CD6020608 (George Town), CD6020610 (George Town), CD6020305 (West Tamar), CD6020308 (West Tamar).

Areas of George Town with more vulnerable communities are readily identifiable from ABS data and this has been corroborated through discussions with service providers. Experience with large infrastructure projects elsewhere has demonstrated the potential for negative impacts on housing affordability and social cohesion and positive impacts on employment (but not necessarily distributed equitably).

Primary statistics that should provide useful insight into areas of vulnerability include:

- average income
- highest level of schooling completed
- housing tenure type
- weekly rental
- labour force participation rate, and
- unemployment rate.

Data for the 2001 Census covering these statistics are provided in the following spreadsheet.

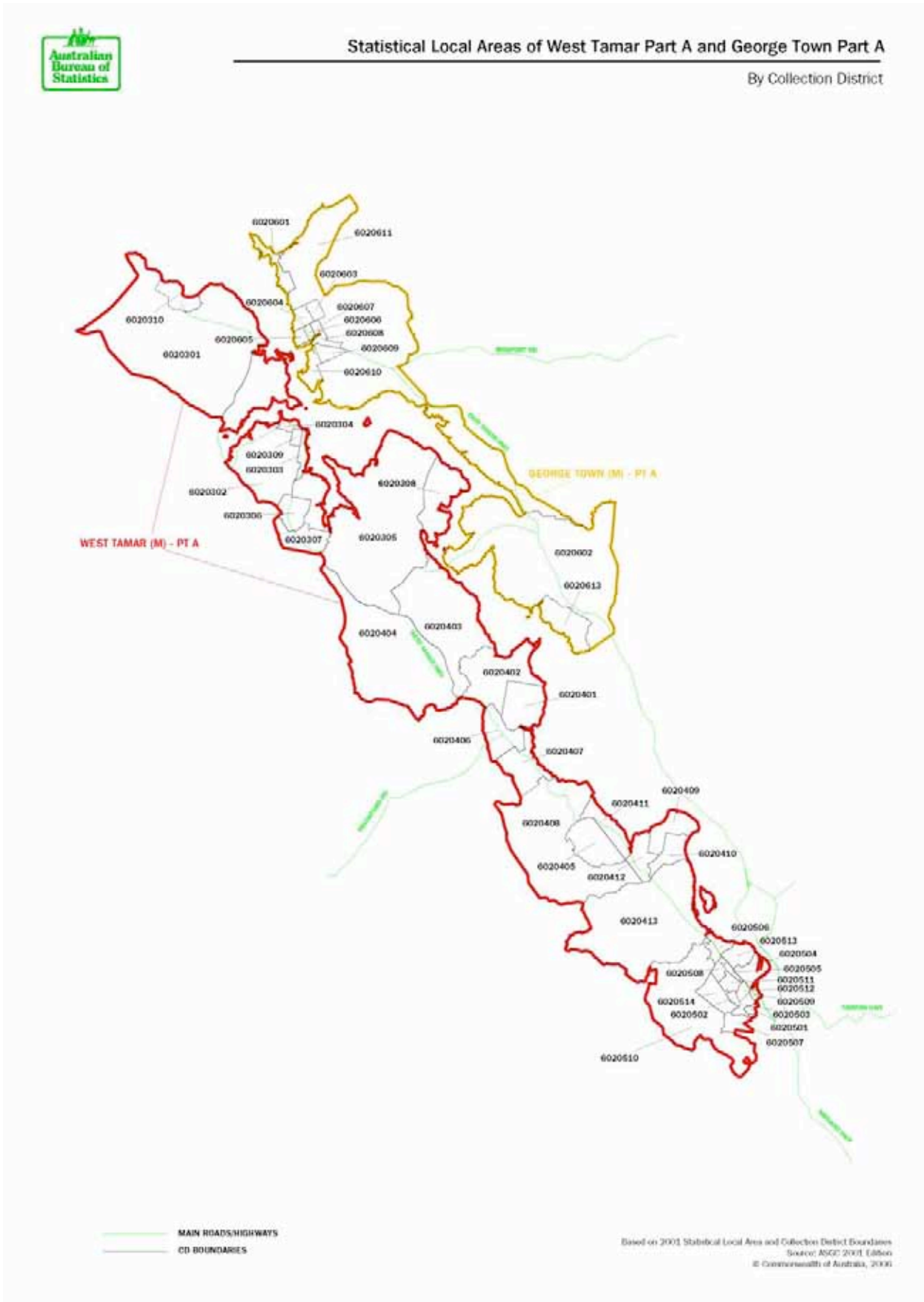
Historically, George Town has had high levels of public housing, which have been reduced over time as Housing Tasmania has sold stock to the private sector (with a first preference to current tenants) (P. White pers. comm.). All the same, George Town still has a relatively high level of public housing, representing more than 25% of housing stock (in 2001) in CCDs 6020603, 6020604, 6020606 and 6020608 in the north and east of the township.

The CCDs mentioned above also had the lowest median weekly rent of \$50–99, lowest median weekly individual income of \$200–299 and highest unemployment (19.3–23%) compared to a state average unemployment rate in August 2001 of 10.1% (derived from Census data rather than Labour Force to allow differentiation between age groups). Youth unemployment (defined for these purposes as 15–24 years old) was also disproportionately high, ranging from 22.6–42.9%, compared to 19.2% for Tasmania overall and a national average of

13.8%. These data indicate that George Town has a significant population of relatively low-income residents. Those of them who are outside the public housing sector would be vulnerable to increases in rental. The high unemployment rate indicates that there are opportunities here for suitably targeted skills development and employment programs.

An indication of broad trends in unemployment since this time can be gained from ABS regional labour force data, which indicate unemployment in the Northern Region decreased slightly from 8.7% in August 2001 to 8.1% in September 2006.

Annexure C – Map of census collector districts



Annexure D - Interviewees

Local community

West Bay Road (private residence)

West Bay Road (vineyard)

Rowella Road (private residence)

Rowella Road (private residence)

Rowella Road (private residence)

State and local government

Peter White, Housing Tasmania

Ngaire McCrindle, General Manager, George Town Council

Inspector Paul Reynolds, Tasmanian Police

Mike Barringer, Tasmanian Ambulance Service

Andrew Taylor, Deputy Mayor, George Town Council

Other localities

Director of Nursing, Ravensthorpe District Hospital

Manager Community Relations, Ravensthorpe Nickel

Senior Constable, Ravensthorpe Police

Receptionist, Ravensthorpe Shire Council

Manager, Department of Community Development, Karratha

Manager, Community Services, Shire of Port Headland

Chief Executive, Gladstone Economic and Industry Development Board (written response)

Manager, Gladstone Community Advisory Service

Annexure E - Community issues

Discussions with residents of the Rowella Peninsula were undertaken to gain a better understanding of the potential social impacts on this section of the community, who are most exposed to the amenity impacts of the pulp mill.

The following discussion summarises the issues as they were presented to us. A total of eight people were covered by the five interviews. None of the people interviewed supported the pulp mill although the strength of their opposition varied greatly.

Rowella community: Residents at three of the properties had lived in the area for between 18 and 35 years. The other two had moved in the past one to two years. They described the community as valuing the rural setting and “buying for the lifestyle”. Descriptions of the composition of the local community included retirees, people working in surrounding areas including the Bell Bay industrial facilities, weekenders and people with tourism and agriculture-related businesses.

Information provision: One couple had been active in the campaign against the pulp mill and had obtained much of their information through the groups TRAC and TAC. All interviewees had received information from Gunns via either direct mail, letterbox drops or newspaper inserts. Some had done their own research through the internet. The need for more information on the project and more direct contact from Gunns was generally raised. People’s disposition towards Gunns shaped whether or not they were prepared to believe the information provided. One had had met with Gunns personnel on a number of occasions. Two others had spoken on the telephone and another two referred to making contact with Gunns to ask questions, but having not received a response at the time of the interview, some months later.

Noise: All interviewees could – to varying degrees – hear the current chip mills and ships docking at the wharf. The noise was described as quite variable – noisy some days and no so others. The most noticeable sounds were the “beep beep” of reversing vehicles, rattling of loose plates on bulldozers and a range of sounds associated with berthing ships. The sound of the chipper provided a background noise that was “relatively constant – you only notice it when it stops”. One described it as “the drumming noise – sometimes I wish it would just go away”. The greater sensitivity of visitors to the current noise levels – particularly at night – was mentioned by most interviewees. One made reference to the efforts Gunns had made to reducing the noise from machinery. There was general understanding that Gunns had committed to no increase in noise from the current levels. One interviewee considered this to be “not a world-class outlook...it’s what they can get away with as a minimum cost”.

Visual amenity: One resident with an expansive view of the proposed site was visibly upset at the prospect of looking out onto the pulp mill. Others raised concerns about their neighbours who would have to look out onto it.

Air pollution: Concerns about odour and/or particulates and potential health or economic impacts (e.g. on vineyards) were raised in four of the interviews. The paradox of the government spending money to clean up the Launceston airshed but then possibly approving a significant industrial facility was raised.

Property values: All interviewees raised concerns about the impact that the proposal had all ready had on their ability to sell their properties and the current

value of their properties. One property had been on the market but had been taken off again as there was “a lot more negative than positive feedback so I feel like it has already been devalued”.

Tourism: Concerns about a negative impact on local tourism were raised in two interviews. It was seen that Tasmania had to choose between an industrial economy and a tourism-based economy.

Powerlessness: All interviewees expressed a view that there was no way the pulp mill would be stopped. One interviewee summed this up as “if Gunns want to put it there, there’s no way what we say will make any difference...they’re the biggest company in Tasmania and they’ll just go ahead and do it. What we say won’t make any difference”.

Uncertainty: All interviewees expressed concerns about the uncertainty the project had introduced into their lives, particularly in terms of whether or not they should stay in the area and whether to proceed with capital investments they had planned.

Commercial and employment opportunities: one interviewee thought that the project could provide an opportunity to rent out their house and that their children may obtain employment.

Mitigation: Buying up (or making some financial contribution to adjust for any loss of value) the most affected properties (those within the viewshed in particular), and building the pulp mill at the Hampshire site were the two most frequently cited mitigation measures. Making a decision quickly and ending the uncertainty, one way or the other, was also raised.

Annexure F - Bibliography

- Brown, R.; Clay, M.; Paksima, S.; Dorius, S.F. and Rowely, K. (2003). Local flexibility in spending mitigation monies: a case study of successful social impact mitigation on the Intermountain Power Project in Delta, Utah. *Impact Assessment and Project Appraisal* Vol. 21, No. 1. pp. 205-213.
- Glasson, J. (2005). Better monitoring for better impact management: the local socio-economic impacts of constructing Sizewell B nuclear power station. *Impact Assessment and Project Appraisal* Vol. 23, No. 3: 215-226.
- Storey, K. (2001). Fly-in/Fly-out and Fly-over: mining and regional development in Western Australia. *Australian Geographer* Vol. 32, No. 2. pp. 133-148.
- The Interorganizational Committee on Principles and Guidelines for Social Impact Assessment (2003). Principles and guidelines for social impact assessment in the USA. *Impact Assessment and Project Appraisal*: Vol. 21, No. 1.
- Vanclay, F. (2003). Conceptual and methodological advances in social impact assessment. In: Becker, H.A. & Vanclay, F. (eds). *The international handbook of social impact assessment*. Edward Elgar Publishing, Massachusetts.
- Vanclay, F. (undated). Social impact assessment. Contributing paper for Thematic Review V.2: Environmental and social assessment for large dams. World Commission on Dams.

Annexure G – Report by Brothers & Newton



Launceston Office:
Level 1, 53 Brisbane St, Launceston
PO Box 1044
TAS 7250
ph: (03) 6333 0420
fax: (03) 6333 0421

Hobart Office (Accounts):
7 Castray Espl, Hobart
TAS 7000
ph: (03) 6224 2343
fax: (03) 6224 2331

Devonport Office:
49 Best St, Devonport
PO Box 950
TAS 7310
ph: (03) 6424 3440
fax: (03) 6423 1061

27 November 2006

File Ref: 43255 CLS

Mr Tim Power
Partner
Freehills
GPO Box 128
MELBOURNE VIC 3001

Dear Sir,

**Re: BELL BAY PULP MILL PROJECT
Gunns Limited**

I refer to your letter of instruction of the 5 October 2006 requesting us to prepare a valuation report for Gunns Limited considering the following:-

- Changes in residential rents and residential land values benchmarked against the dates of key announcements/dates in the Pulp Mill assessment process
- An envaluation of the extent if any to which the project has influenced those values/rents to date please differentiate this influence from the overall trend of residential land values and rents in North East Tasmania
- How the project might influence property prices in the future considering changes in the housing prices for other large projects in similar markets (i.e. regional rather than metropolitan)

In order to familiarise myself with the project I have viewed the relevant sections of the Draft Integrated Impact Statement (Draft IIS) with particular reference to the volumes as noted in your instructions.

This document is protected by legal professional privilege. To ensure privilege is not waived please keep this document confidential and in a safe and secure place. The document should not be distributed nor any reference to it made to any person or organisation not directly involved in making decisions on the subject matter of this document. If this document is required by a Government Officer Freehills should be contacted immediately to ensure that privilege is claimed over the document and it should not be shown to nor the contents discussed with the Government Officer.

Overview

The Gunns Pulp Mill website shows the following media releases:-

Brothers & Newton Pty Ltd
ACN 009 526 970

email: info@independentvaluers.com website: www.independentvaluers.com

Hobart - Charles Brothers (Director); Scott Newton (Director); William Reynolds (Director); Timothy Beck; Richard Carhart; Terry Dwyer;
David Hanlon; Richard Macqueen; Greg McNamara; Richard Steedman; Paul Wilson

Launceston - Andrew Cubbins (Director); Gavin Lipplegoes; Brian Mantach; Mark Youngman

Devonport - Brian F Chandler; Geoff Taylor



Members of

- Pulp Mill IIS submitted to RPDC – 14 July 2006
- Mill will meet rigorous RPDC effluent limits – 2 December 2005
- Pulp Mill needs science – not scuttlebutt – 19 August 2005
- EPBC referral – 16 August 2005
- World-Class Bell Bay Pulp Mill unveiled – 12 August 2005
- Gunns Limited considers new water option – 22 July 2005
- No major changes to Pulp Mill plan – 22 June 2005
- Environmental best practice guaranteed by Gunns – 25 February 2005
- Pulp Mill study to focus on Bell Bay – 24 February 2005

The Draft IIS provides an overview of the project description “Gunns proposes to construct an elemental chlorine free (ECF) bleached hardwood and softwood kraft Pulp Mill at Bell Bay Northern Tasmania adjacent to the existing woodchip mills. The Pulp Mill is designed according to best environment and technology practices (Jaakko Poyry 2005)”.

Under Volume 8.5 Construction Workers the estimated maximum number of personnel required during the peak construction phase will be 2,900 people on site with labour to be sourced from Tasmania, the mainland and internationally where required. A workers accommodation facility is proposed to accommodate 800 workers and will be located on the south side of George Town. Any accommodation shortfall will be addressed by other complimentary housing solutions outside the scope of the accommodation facility project.

Anticipated accommodation mix is noted as follows:-

Accommodation Option	Maximum No. Workers (Peak Direct Employment During Construction Phase)	Percentage Of Total Expected Workforce
Workers accommodated in existing non commercial residential facilities	1,040	36%
Workers accommodated in existing tourism and rental stock	1,060	37%
Workers accommodated in the workers accommodation facility	800	27%
TOTAL	2,900	100%

The workers accommodation facility will be temporary with life limited to the duration of the construction and commissioning of the Pulp Mill after which the site will revert to General Industrial use in accordance with zoning under the George Town Planning Scheme of 1991.

The above information provided in the Draft IIS indicates that residential accommodation will be required by the construction workers.

Research

In order to provide an opinion as requested in your instructions on the effects of the proposed Pulp Mill project the following process has been followed:-

1. Analysis of confirmed residential sales data from the State Government Land Information Services Tasmania (LIST) website which provides sales data with brief description of the various properties with the benefit of additional statistical data including number of sales and median sale prices in any given period. The data sourced from this website has been analysed to show trends in residential property values in George Town prior to the announcement of the Bell Bay Pulp

Mill Project on the 24 February 2005 and during the period of subsequent announcements in 2005 and 2006.

The data sourced from the LIST website relates to property values and the effect on residential rentals has been considered separately.

2. The changes in residential rents in George Town have been considered from our research and files prior to the 25 February 2005 being the first announcement of the proposed Bell Bay Pulp Mill Project and during 2005 and 2006 during which time there have been various media announcements.
3. In order to properly analyse the effect on land values and residential rents and to differentiate between trends in George Town and North Eastern Tasmania generally analysis has also been completed on sales data and residential rentals in the Launceston suburban area being the major population centre in this district.
4. The Real Estate Institute of Tasmania provides statistical data on sales information provided by its members on a quarterly basis. The information provided in the REIT residential market trends provides the number of sales, the median price and changes from previous periods in the various suburbs in Tasmania including George Town. This data is useful in making comparisons in the various regions of Tasmania however we consider the information provided on the State Government LIST website to be more accurate as it is actual confirmed sales data.
5. Discussions have also been held with Real Estate Agents operating in George Town who generally indicate an increase in activity and prices subsequent to the announcement of the proposed Bell Bay Pulp Mill Project.
6. The above research data has been considered on the basis of comparison of data for George Town to general trends in property values in Tasmania with particular emphasis on the Launceston area.

George Town Residential Property Values

Property values in George Town generally have seen considerable increases particularly since 2003 in line with trends in Tasmania generally. A number of properties have been sold to local and interstate investors as well as owner/occupiers as properties are in the lower price bracket that is less than \$200,000 with rentals being achieved in the \$100 to \$150 per week range. Starting from a low base in 2002/2003 investors were also looking for capital appreciation.

The median house price in George Town sourced from the LIST website in the December quarter of 2004 prior to the first announcement of the Bell Bay Pulp Mill Project was \$115,000 with 28 sales. The median house price for the June quarter of 2006 was \$150,000 with 26 sales showing an increase over this period of 30.4%. A further increase of 3.33% over the June quarter is indicated for the September quarter but all sales may not be reported on LIST yet. The median house price in George Town for the following quarters is as follows:-

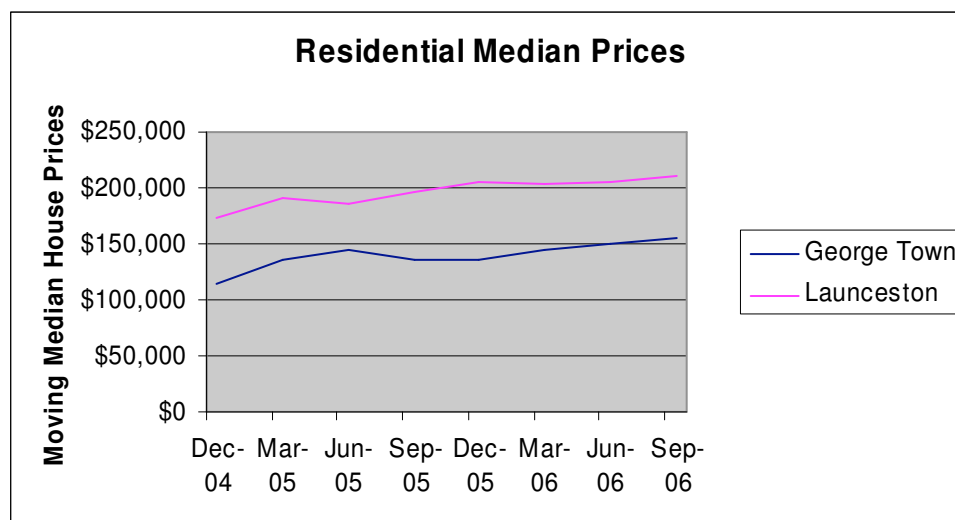
Quarter	Median Sale Price	Percentage Change	No. of Sales
December 2004	\$115,000		28
March 2005	\$135,000	17.39%	50
June 2005	\$145,000	7.41%	33
September 2005	\$135,000	-6.9%	18
December 2005	\$135,000	0.00%	20
March 2006	\$145,000	7.41%	27
June 2006	\$150,000	3.45%	26
September 2006	\$155,000	3.33%	19

Launceston Suburban Residential Market

Launceston residential property values have seen considerable increases particularly since 2003 in line with trends in Tasmania generally.

The median house price in Launceston sourced from the LIST website in the December quarter 2004 prior to the first announcement of the Bell Bay Pulp Mill project was \$172,500 with 370 sales. The median house price for the June quarter of 2006 was \$205,000 showing an increase over this period of 18.8%.

Quarter	Median Sale Price	Percentage Change	No. of Sales
December 2004	\$172,500		370
March 2005	\$190,001	10.67%	395
June 2005	\$185,050	-3.06%	338
September 2005	\$197,000	6.46%	352
December 2005	\$206,000	4.57%	320
March 2006	\$203,000	-1.46%	360
June 2006	\$205,000	0.99%	326
September 2006	\$210,000	2.43%	166



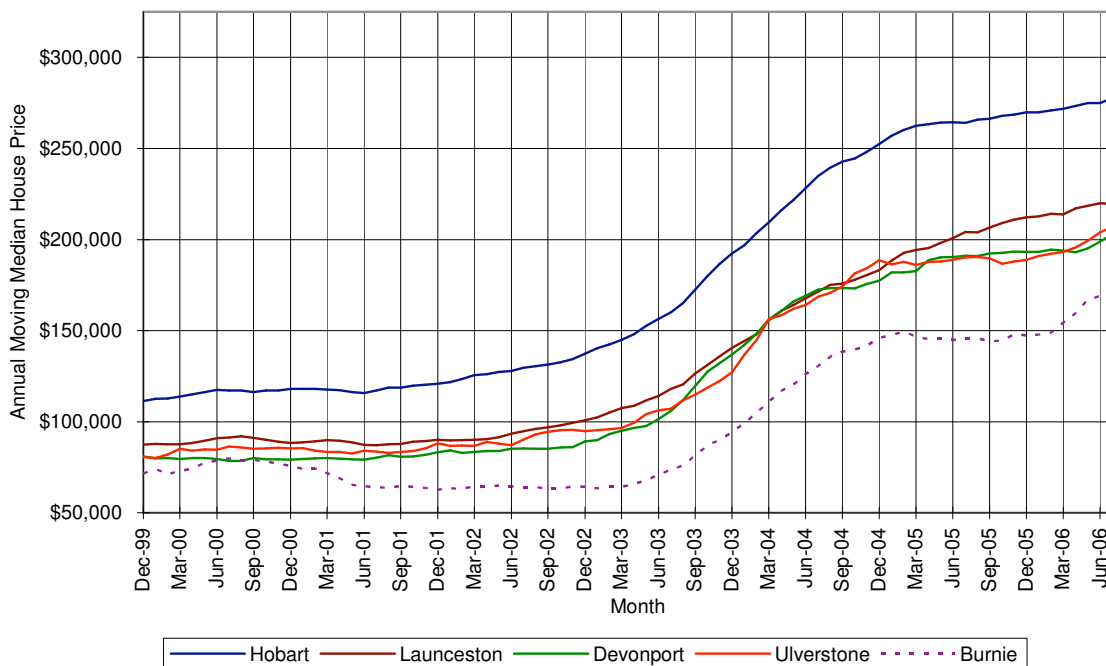
REIT Annual Moving Median House Prices

Like many parts of regional Australia, Tasmania experienced dramatic growth in recent years in the residential property market.

Historically very low interest rates, an improvement in local economic conditions, a substantial increase in the number of visitors to the state and an influx of mainland purchasers and investors in 2002-05 have been key factors driving this growth.

Trends in Tasmania's residential property market in recent years are illustrated by the following graph:

TASMANIA'S RESIDENTIAL PROPERTY MARKET
Annual Moving Median House Prices



SOURCE: REIT

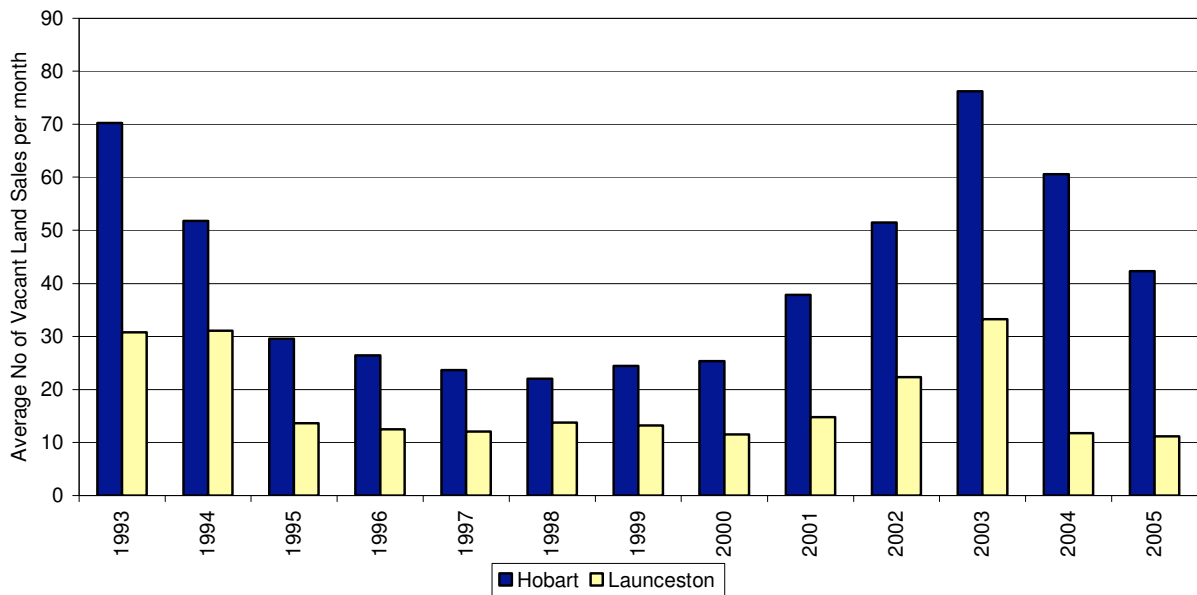
The above graph indicates the movement in median house prices in Tasmania in the major population centres including Hobart, Launceston, Devonport, Ulverstone and Burnie from December quarter 1999 to June quarter 2006. This graph indicates the increase in general property values after the December quarter 2002 with steep increases to December quarter 2004 and then a levelling of median house prices with gradual increases to current date particularly for Hobart and Launceston. This trend compared to property values in George Town subsequent to the first media release and announcement of the proposed Bell Bay Pulp Mill project indicates that the general trend in movement of annual moving median house prices is greater in the George Town area than in Tasmania generally. This is also the case with other coastal centres particularly on the North West Coast of Tasmania at Ulverstone, Devonport and Burnie which have shown greater than average increases and therefore the trend is not just restricted to George Town.

Vacant Land & Subdivisions:

Demand for vacant allotments peaked in 2003 after an increase in the construction of new homes stemming back to the introduction of the first and new home builder’s government grants which were introduced in 2000.

More recently however we have witnessed a fall in the number of sales of vacant lots to historic levels, as shown by the following graph.

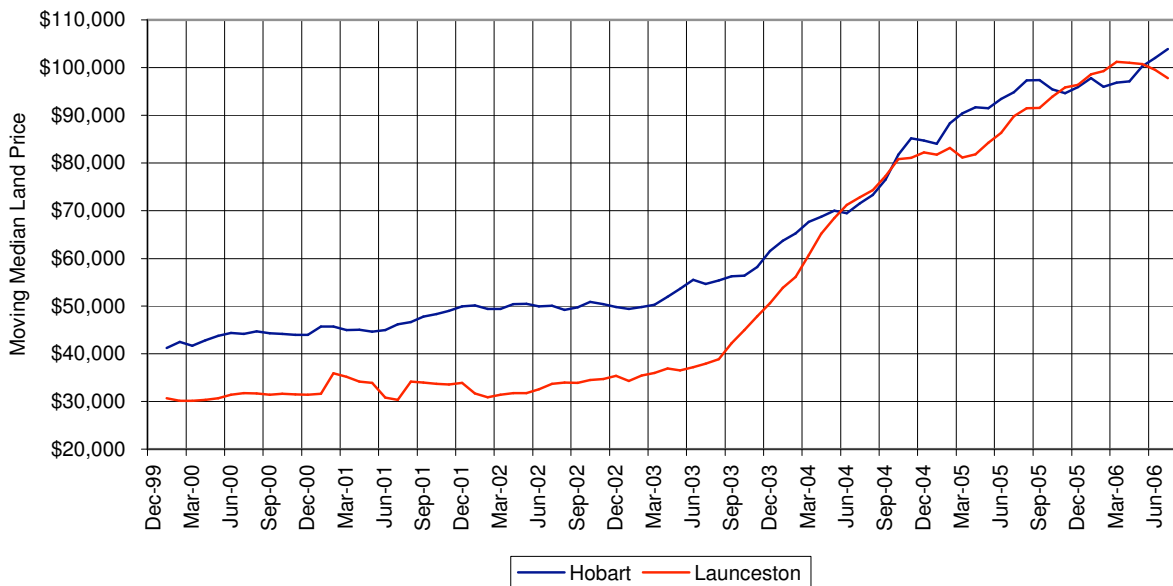
TASMANIA'S RESIDENTIAL PROPERTY MARKET
Residential Vacant Land Sales 1993-2005



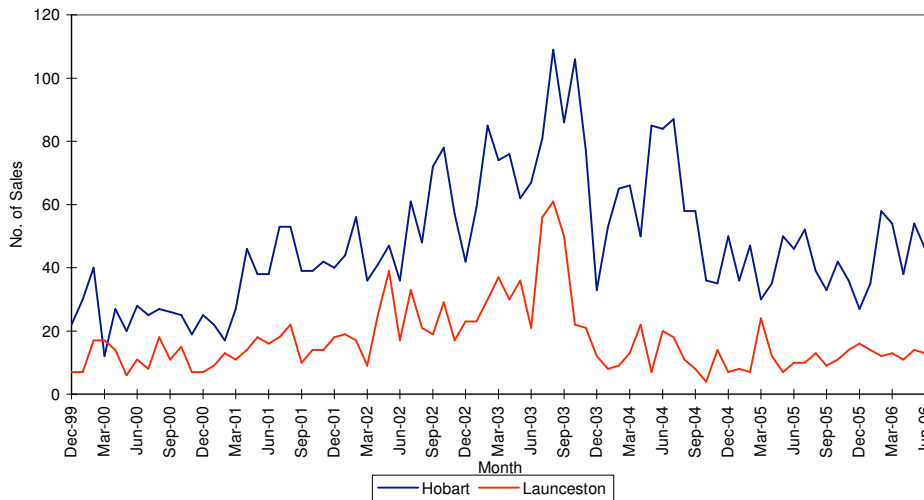
SOURCE: REIT

Trends in prices and demand for residential vacant land in Hobart and Launceston are illustrated by the following charts:

TASMANIA'S RESIDENTIAL PROPERTY MARKET
Residential Land Values in Hobart & Launceston



TASMANIA'S RESIDENTIAL PROPERTY MARKET
Hobart & Launceston Volume of Land Sales



SOURCE: REIT

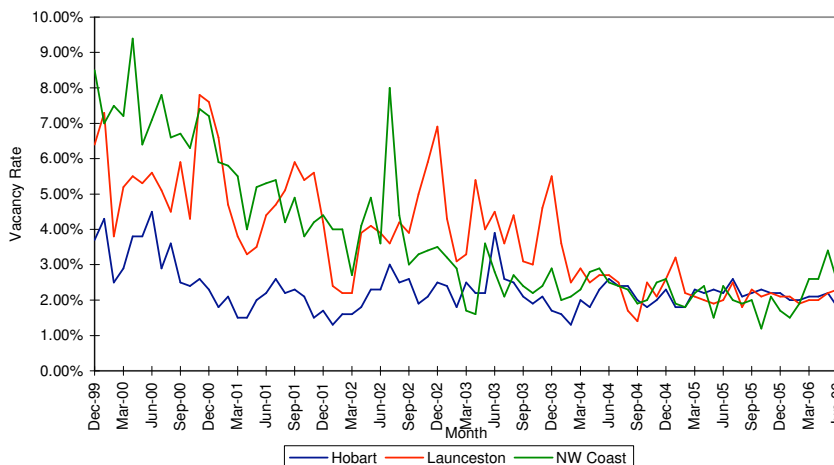
Improved sales volume and increases in land prices resulted in substantial capital growth in the value of in globo sites. Looking forward in globo land values may be adversely affected by a decline in sales volumes resulting in increased holding costs, and upward pressure on development costs.

Investment Property:

Demand for residential investment property has been strong with the improvement in the overall market resulting in many properties being sold, consequently there has been a reduction in available rental stock. The combined impact of strong capital growth and lower vacancy rates has resulted in upward pressure on rental levels, particularly for in areas where there is a high demand for student accommodation.

From the available market evidence residential investment properties are achieving yields between 4-8% per annum gross, with lower yields being associated with inner city apartments also suitable for owner occupation and higher yields being required for multi-level residential flats.

TASMANIA'S RESIDENTIAL INVESTMENT PROPERTY MARKET
Vacancy Rates



George Town Residential Rentals

Rentals for three bedroom houses in George Town most of which are government type housing or similar range from \$150 to \$200 per week in 2004 prior to any announcements of the proposed Pulp Mill. Rentals during 2005 and 2006 have shown increases over 2004 level.

The cost of rental accommodation in George Town is generally less than for the Launceston suburban areas for comparable type accommodation.

The REIT Property Focus Tasmania December Quarter 2004 shows Launceston median residential rentals for a three bedroom house to be \$190 per week with a vacancy rate of 2.4%. The same publication for June quarter 2006 shows Launceston median residential rentals for a three bedroom house to be \$220 per week with a vacancy of 2.1%. No separate data is available for George Town however the vacancy rate for residential property statewide in Tasmania as at September 2006 as reported by the “REIT Tasmanian Property Market” was 2.2%.

The Australian Bureau of Statistics website provides residential tenure details from the 2001 Census. The Greater Launceston (Statistical Subdivision) was chosen as this area includes Launceston City and all residential and rural/residential areas on both the East and West Tamar including towns where rental accommodation is available including George Town, Windermere, Hillwood, Dilston, Riverside, Legana, Rosevears, Exeter, Deviot, Rowella, Beaconsfield and Beauty Point.

According to the ABS in 2001 there were 9989 rented properties in the Greater Launceston (Statistical Subdivision) representing 26.2% of total residential properties in this area. Applying the vacancy rate of 2.2% there is approximately 220 properties available for rent.

Construction workers which according to the Draft IIS will peak at 2900 will require accommodation with 800 being housed in the workers accommodation facility, 1060 in tourism rental stock and 1040 in existing non commercial residential facilities.

Rental accommodation would not be restricted to George Town as the centres and towns as noted above on the East and West Tamar areas and also the Launceston City can provide residential accommodation varying from one bedroom units to three bedroom houses as all these areas are within commuting distance of the Pulp Mill site. Launceston City is approximately 42kms by road south of the Mill site.

In addition to the above areas there are also towns just outside a 50km radius from the site which could provide rental accommodation including Scottsdale, Bridport, Evandale, Perth, Longford, Deloraine and Westbury. If these areas are considered in providing rental stock then the total properties available for rent would be in the vicinity of 246, i.e. 11,200 rented properties at 2.2% vacancy rate.

Rentals in the above towns and East and West Tamar towns are at similar levels to George Town. As previously noted rentals in Launceston City are generally at a higher level.

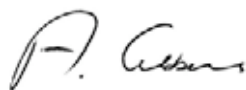
Taking into account the statewide vacancy rate as reported by the REIT at 2.2% as at September 2006 there is room for tenants in the market which may also be further catered for by private investment in residential property in all areas. Recent indications in the market for vacant land suitable for residential development in George Town is that properties have recently been sold for subdivision which would provide land stock for development of residential accommodation therefore providing more rental stock. Overall I would anticipate increase in demand for rental properties if the mill proceeds and a resultant lower than average vacancy rate in George Town. Increased rentals could be expected in the 10%-15% range which may also be seen in the holiday rental market.

Conclusions

1. Subsequent to the first announcement of the Gunns Ltd Bell Bay Pulp Mill Project property values have increased in George Town at a higher rate than other areas in North East Tasmania and in particular the Launceston City area. The median house price in George Town increased 30.4% between the December quarter of 2004 and the June quarter of 2006. The median house price in Launceston increased 18.8% in the same period. On completion and during construction of the mill I would anticipate further increases in property values in George Town as demand for residential accommodation increases. No major increases are anticipated but at least 10% is envisaged.
2. Residential rents in George Town have increased since the first announcement of the Gunns Ltd Bell Bay Pulp Mill Project with REIT data indicating an increase of approximately 15.7% in median rentals in the Launceston area. With the requirement for additional accommodation by construction workers I would anticipate further increases in the 10%-15% range.

Yours faithfully,

BROTHERS & NEWTON PTY LTD



Andrew Cubbins FAPI, Dip Val
Certified Practising Valuer
Director