

Socio-economics 15



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15 SOCIO-ECONOMICS

15.1 INTRODUCTION

This section describes the Socio-economic Impact Assessment (SIA) undertaken by Hansen Bailey as part of the Environmental Impact Statement (EIS) process for the Eastern Leases Project (the project). The detailed results of the SIA are provided in the *Socio-economics Report* (Appendix K). This section should be read in conjunction with Section 5 – Consultation, which describes the consultation that informed this SIA.

The Environmental Risk Assessment presented in Section 4 identifies all potential project risks in relation to socio-economics and determines the consequence and likelihood of each risk, and the overall risk rating. Risk ratings are provided for the risk both with and without the application of mitigation measures. The risk assessment has concluded that, with the application of the proposed mitigation measures, the majority of risks associated with socio-economics are low risks, and that there are no high or extreme risks. The risk assessment also identified several positive socio-economic impacts. This section provides further detail on the socio-economic impacts that have been identified for the project, as well as the mitigation measures that will be applied.

15.2 REGULATORY FRAMEWORK

The SIA has been undertaken to satisfy the requirements of the EIS Terms of Reference (TOR) issued by the NT Environment Protection Authority (NT EPA) and the NT EPA *Guidelines for the Preparation of an Economic and Social Impact Assessment Version 2.0* (2013).

15.3 PROJECT SETTING

The project is located on Groote Eylandt in the Gulf of Carpentaria (Figure 15-1). The Groote Eylandt Archipelago, which includes Groote Eylandt, Bickerton Island and a number of small, neighbouring islands, has a population of approximately 3,000 persons. The Aboriginal Traditional Owners of the Groote Eylandt Archipelago are the Anindilyakwa People. The Anindilyakwa People are an amalgamation of two cultures, the Warnindilyakwa, and the Nunggubuyu (ALC 2014). Both cultures speak Anindilyakwa as their first language, and the land, people and culture are also referred to by this term. Groote Eylandt is Aboriginal land under the Commonwealth *Aboriginal Land Rights (Northern Territory) Act 1976* (ALRA). The Anindilyakwa Land Council (ALC) is the Land Council for Groote Eylandt.

There are four main urban centres on the Groote Eylandt Archipelago, namely the mining township of Alyangula, the two Aboriginal settlements of Angurugu and Umbakumba on Groote Eylandt, and the Aboriginal settlement of Milyakburra on Bickerton Island (Figure 15-1).

There is a long history of Aboriginal settlement on Groote Eylandt, and more recent European Settlement. The settlement history of Groote Eylandt is described in the *Socio-economics Report* (Appendix K).

The proponent's existing mine on Groote Eylandt was established in the 1960s and has been operating for over 50 years. The existing mine has a workforce of approximately 860 people and it plays a significant role in the economic development of Groote Eylandt. Royalties and a number of other related payments from the existing mine benefit the Traditional Owners of Groote Eylandt through investment in housing, infrastructure, services, and capacity development.

15.4 METHODOLOGY

The methodology for the SIA included the following key components:

- Identification of the SIA study area;
- Profiling the socio-economic environment of the SIA study area based on a review of existing information/data and consultation with relevant stakeholders;
- Identification and assessment of potential socio-economic impacts; and
- Development of appropriate management commitments to address socio-economic impacts and to maximise community benefits.

Each of these components of the SIA methodology are described further in the following sections.

Consultation with relevant stakeholders was inherent in each step of the SIA methodology. SIA consultation was conducted to gather information on community perceptions, to inform the characterisation of the current social setting and to assist in the prediction of potential social impacts. EIS consultation focused on disseminating information about the project and understanding stakeholder's key issues. Details of the EIS and SIA consultation conducted for the project are provided in Section 5 – Consultation.

15.4.1 Identification of the SIA Study Area

The SIA Study Area is defined at the Groote Eylandt Archipelago, with a focus on Groote Eylandt and the townships of Alyangula, Angurugu and Umbakumba. The Groote Eylandt Archipelago geographical area aligns with the Australian Bureau of Statistics (ABS) Anindilyakwa Statistical Area Level 2 (SA2) within the East Arnhem Local Government Area (LGA) (Figure 15-1). Statistical data for the Anindilyakwa SA2 was used to describe the SIA Study Area and a comparison was made to the broader East Arnhem LGA.

15.4.2 Profiling of the Socio-economic Environment

A variety of desktop and consultative sources were used to profile the communities of the SIA Study Area. The principal sources included:

- Literature review;
- Quantitative data collection and analysis;
- Project SIA consultation (Section 5 - Consultation); and
- Project EIS consultation (Section 5 - Consultation).

A profile of the SIA Study Area is provided in Section 15.5.

15.4.3 Identification and Assessment of Potential Socio-economic Impacts

The potential socio-economic impacts of each phase of the project were identified and assessed using a risk-based assessment framework. This framework is described in the *Socio-economics Report* (Appendix K). The assessment focused on the impacts likely to affect the townships of Alyangula, Angurugu and Umbakumba. Impacts were identified based on the information collected during baseline profiling and the results of stakeholder consultation.

Negative impacts were ranked and the appropriate level of management was determined as follows:

- Low – monitor and manage as necessary;
- Moderate – actively manage; and

- High – proactively manage.

Positive impacts were ranked in order to understand the level of effect these impacts may have on stakeholders and management measures were identified for positive impacts, where possible. Positive impacts typically require management to optimise benefits, rather than mitigation.

The predicted positive and negative socio-economic impacts of the project are presented in Section 15.8.

15.5 EXISTING SOCIAL ENVIRONMENT

An overview of the existing socio-economic environment of Groote Eylandt is provided in the sections below. A more detailed description is included in the *Socio-economics Report* (Appendix K).

15.5.1 Governance Arrangements

Anindilyakwa Land Council

The ALC is the Land Council for the Groote Eylandt Archipelago. Under ALRA, Land Councils are statutory bodies which represent the interests of Aboriginal people in relation to their land.

The ALC is the principal voice of the Aboriginal community on Groote Eylandt. In relation to the existing mining operations, the ALC is the conduit for the distribution of relevant information between the proponent and Traditional Owners on Groote Eylandt.

The existing mine operates in accordance with a Mining Agreement under ALRA. The Mining Agreement, which was signed by the proponent and the ALC in 2006, is termed the 2006 Mining Agreement in this section. A new Mining Agreement and an agreement under Section 19 of ALRA for access to the proposed haul road corridor will be required for the project (refer to Section 2 – Regulatory Framework). At the time of reporting, these agreements are being negotiated between the proponent and the ALC.

The ALC Strategic Plan (ALC 2012) describes the governance objectives of the ALC. It also articulates the vision for the Groote Eylandt Archipelago post-mining, which is for a sustainable future that is not dependent on royalty payments.

East Arnhem Regional Council

The Aboriginal settlements of Angurugu, Umbakumba and Milyakburra form part of the East Arnhem LGA, administrated by the East Arnhem Regional Council (EARC) (Figure 15-1). The EARC is responsible for the provision of municipal services to these communities, including rubbish collection, aged and disability welfare services, maintenance of infrastructure including roads and street lighting as well as a number of child and family wellbeing programs. The provision of municipal services and community infrastructure to the mining township of Alyangula is the responsibility of the proponent.

Federal Government Office of Township Leasing

The communities of Umbakumba and Angurugu on Groote Eylandt, and Milyakburra on Bickerton Island are operated under Whole of Township Lease agreements established in 2008 between the ALC and the Federal Government Office of Township Leasing (OTL).

All land in the Groote Eylandt Archipelago is Aboriginal land, communally held and inalienable – it cannot be sold, transferred or subdivided. Following the introduction of the ALRA in 1976, the Federal Government introduced the OTL and the concept of Township Leases to enable the creation of individual and transferable interests in the Aboriginal owned land (through subleases) which would in turn encourage economic development and home ownership in Aboriginal communities. The OTL essentially plays the role of a development approval authority i.e. releasing land (on a sublease basis) for the delivery of housing, infrastructure, services and commercial development.

15.5.2 Alyangula Social Environment

Alyangula Township is located on the north-western coast of Groote Eylandt. Alyangula was established by the proponent in 1965 under a Special Purposes Lease with the NT Government. The township is the residential base for the existing mine's workforce. Due to the nature of the Special Purpose Lease over Alyangula, residence in the township is restricted to the existing mine workforce and their families, and service providers such as police, local medical centre employees and teachers. The underlying ownership of land within the township remains Aboriginal Land under ALRA and as such private ownership of land is not permitted.

Table 15-1 presents 2011 ABS Census data for selected demographic characteristics of Alyangula, East Arnhem LGA and the NT.

Table 15-1 Selected Demographic Characteristics– 2011 ABS Census

INDICATOR	ALYANGULA	EAST ARNHEM	NORTHERN TERRITORY
Population	986	14,019	211,943
Aboriginal and Torres Strait Islander (ATSI) Population	89	8,634	56,778
% ATSI Population	9%	61%	27%
% total population aged 0-14	23%	30%	23%
% total population aged 15-64	76%	67%	71%
% total population aged 65+	1%	2%	6%
Labour Force	637	5,437	103,966
Unemployment Rate	1%	10%	5%
Labour Force Participation Rate	85%	56%	64%
% population over 15 years with a post school qualification	58%	31%	40%

Demography

In 2011 Alyangula had a population of approximately 980 residents (ABS 2014). This population is the resident population and does not include the non-resident Fly-In Fly-Out (FIFO) workforce for the existing mine. In reality, at any time, there are an additional 380 FIFO workers, associated with the existing mine, who reside in Alyangula in accommodation villages and utilise township services.

Demographic characteristics of Alyangula were drawn from an analysis of 2011 ABS Census data. Key demographic characteristics of Alyangula are as follows:

- A small Indigenous population of less than 10% (equivalent to 89 people) of the Alyangula population.
- A high proportion of working-age persons compared to the East Arnhem LGA. Approximately 76% (equivalent to 749 people) of the Alyangula population is aged between 15 and 64 years of age, compared with 67% of the East Arnhem LGA and 71% of the NT population.
- A very small proportion of older people. Only 1% (equivalent to 10 people) of the Alyangula population is aged 65 years and older compared with 6% for the NT.

Housing and Accommodation

There are approximately 345 houses in Alyangula. The proponent owns approximately 75% of these houses and provides them to the existing mine workforce. The remainder of houses in Alyangula are owned or leased by the

NT Department of Housing, the ALC, and business owners and operators. The proponent also owns a number of accommodation villages in and around Alyangula that are used to accommodate the non-resident workforce associated with the existing mine.

Social Infrastructure Accessibility

Alyangula has a wider availability of services than most communities of its size due to the presence of the existing mine and funding provided by the proponent.

The following services and facilities are available in the township:

- Public-funded health care centre;
- Emergency services including a permanent police station in Alyangula;
- Alyangula Area School - a public Preparatory to Year 12 school;
- Day-care centre;
- Alyangula Recreation Club (ARC);
- Dugong Resort and Anindilyakwa Arts and Craft Centre; and
- Recreation facilities including a nine-hole golf course, BMX track, swimming pool, gym, squash and tennis courts, and walking tracks and ovals.

There are limited commercial and retail facilities in Alyangula. These include a single supermarket operated by a contractor on behalf of the proponent, along with a number of small privately-owned businesses which operate out of the shopping arcade. Small businesses include, but are not limited to:

- Bank;
- Car rental company;
- Chemist;
- Clothing and general apparel;
- Hairdresser;
- Hardware;
- Travel agent;
- Automotive and marine motor repairs; and
- Post office.

The proponent funds the provision of infrastructure and equipment for the emergency services (ambulance and fire) on Groote Eylandt, which service all communities on the island. Fire response on Groote Eylandt is fully-funded by the proponent and all triple-zero call-outs on the island are transferred from the national call centre to the proponent's emergency services team, which is staffed 24 hours a day, seven days a week.

The Groote Eylandt Airport services the whole of Groote Eylandt and is located 15 km south of Alyangula. The Groote Eylandt Airport offers scheduled commercial flights to Darwin, Gove and Cairns as well as charter flights to Darwin, Cairns and Milyakburra on Bickerton Island.

The proponent provides water and gas to the three main communities on Groote Eylandt free of charge, although some infrastructure is maintained by the respective communities and the Power and Water Corporation. The proponent provides power to the communities of Alyangula and Angurugu, which is charged on a usage basis. Roads within the mining tenements and within Alyangula are owned and maintained by the proponent.

The proponent provides a regular shuttle bus service between Alyangula and the Groote Eylandt Airport for Alyangula residents and also provides a bus service between Alyangula and the existing mine.

Local Values

During EIS consultation, residents of Alyangula described the town as relaxed and safe. Residents often noted the township's isolation from the mainland, both in terms of geographical distance and connection with the world off-island, referring to Alyangula as "a time-warp" and "very old-fashioned".

A number of residents held the opinion that recent changes to rosters and work arrangements for employees at the existing mine have led to a decline in the sense of community in Alyangula. A number of stakeholders indicated that an increase in FIFO work practices has led to a reduction in the resident population and they believed that this has led to a decline in community participation in key events and in voluntary roles.

Education and Training

Alyangula has a single school, the Alyangula Area School, which is run by the NT Department of Education (NT DOE). It has an enrolment of approximately 220 students, primarily in the younger and middle years of schooling. Although the school offers Preparatory to Year 12, the senior years of high school are typically offered through distance education. EIS consultation revealed that many students leave the school during the early years of high school; parents either send their children to boarding school or move the family off-island entirely. Struggles with academic success, limited opportunities for socialising on-island and a limited variety of leisure activities were the main reasons Alyangula parents gave for not keeping their teenagers enrolled at the Alyangula Area School.

Labour Force

The majority of residents in Alyangula are either direct employees of the proponent or the NT Government, or they are families of existing employees. General employment opportunities in Alyangula are limited and there are few employment opportunities for school leavers. Residents reported that securing post-school employment at the existing mine was difficult due to the timing of the release of apprenticeship positions and high standards for employment. Despite this, there are a number of families on Groote Eylandt with adult children now working at the mine.

Issues relating to available accommodation further limit employment opportunities on Groote Eylandt because housing is primarily for the proponent's employees. The pool of housing available in Alyangula for people not employed by the proponent is small and there is consequently very limited availability and little variety in accommodation type. The housing limitations in Alyangula mean that non-mining sector businesses in Alyangula can only employ people who are current residents of Alyangula and who have access to existing accommodation i.e. they live with a family member or friend who is employed by the existing mine. Conversely, the accommodation situation means that there are very limited opportunities for people to change jobs from the existing mine to the non-mining sector. The proponent is aware of the difficulties being experienced by local businesses in relation to the provision of accommodation for employees and has attempted to address the issue through the provision of accommodation to select businesses.

Economic Vitality

The economy of Alyangula is, at the present time, entirely dependent on the existing mine. The majority of residents are employed at the existing mine and earn high salaries relative to the NT median. In Alyangula, over 50% of individuals earn more than \$1,500 per week, compared to less than 15% of the NT population.

The SIA consultation indicates that the recent increase in the size of the FIFO workforce in Alyangula, and corresponding reduction in the number of permanent residents, is affecting local businesses. During EIS consultation, a number of participants suggested that the two local recreation venues, the ARC and the Golf Club were undergoing financial difficulties and the ARC was at risk of closing. Residents and business owners were of the opinion that the increase in FIFO work arrangements has led to a decline in local spending as there are a reduced number of local residents frequenting local businesses. The business owners that were interviewed for the EIS considered their future business prospects as being limited. Several were considering altered hours or

closing down permanently as a result of the reduced patronage. The increasing popularity of online shopping may have also contributed to the reported decline in local retail spending.

15.5.3 Angurugu and Umbakumba Social Environment

Angurugu and Umbakumba are Aboriginal communities. The socio-economic profile of these communities is similar to other remote Aboriginal communities in the NT. Common characteristics include, but are not limited to:

- Low levels of literacy and numeracy;
- Low rates of school attendance and completion;
- Overcrowding of houses;
- Poor environmental health; and
- Endemic issues with drug and alcohol abuse.

Table 15-2 presents 2011 ABS Census data for selected demographic characteristics of Angurugu and Umbakumba compared to East Arnhem and the NT.

Table 15-2 Selected Demographic Characteristics – 2011 ABS Census

INDICATOR	ANGURUGU	UMBAKUMBA	EAST ARNHEM	NORTHERN TERRITORY
Population	835	441	14,019	211,943
ATSI Population	794	413	8,634	56,778
% ATSI Population	95%	93%	61%	27%
% total population aged 0-14	32%	16%	30%	23%
% total population aged 15-64	65%	36%	67%	71%
% total population aged 65+	2%	1%	2%	6%
Labour Force	252	103	5,437	103,966
Unemployment Rate	13%	36%	10%	5%
Labour Force Participation Rate	44%	33%	56%	64%
% population over 15 years with a post school qualification	15%	9%	31%	40%

Demography

In 2011 Angurugu had a population of 835, while Umbakumba had a population of 441. Key demographic characteristics of Angurugu and Umbakumba evident in the 2011 ABS Census data include:

- Large Aboriginal populations, with over 90% of the population in each township (approximately 794 persons in Angurugu and 413 persons in Umbakumba) identifying as Indigenous.
- Young population age structure in each township. Approximately 62% of persons in Angurugu (equivalent to 518 people), and 62% of persons in Umbakumba (equivalent to 273 people) are aged less than 30 years, compared with approximately 47% in the NT.

- A very small proportion of older people. Approximately 2% of the Angurugu population (equivalent to 15 people) and 1% of the Umbakumba population (equivalent to 3 people) are aged 65 years and older, compared with 6% for the NT.

Housing and Accommodation

The majority of housing in these townships is provided to Angurugu and Umbakumba residents by the OTL as public housing. Housing in Angurugu and Umbakumba is of low quality and often in poor repair. The township of Angurugu is land-constrained due to the boundary of the Township Lease and the surrounding mineral leases (Figure 15-2). Furthermore, Angurugu and Umbakumba both have a shortage of serviced lots, connected to sufficient power and water supplies. As a result, housing in Angurugu and Umbakumba is persistently overcrowded. In 2009, 65% of Angurugu homes and 63% of Umbakumba homes were considered to be overcrowded (Commonwealth of Australia 2010a,b). Overcrowding was raised during EIS consultation as one of the main issues affecting Angurugu and Umbakumba Townships. The NT and Federal Governments delivered 80 new houses, 43 rebuilds and 60 renovations to Anindilyakwa communities in 2011 and 2012 through the Strategic Indigenous Housing and Infrastructure Program. Although household occupancy rates have decreased significantly as a result of this investment, overcrowding is still present in these communities.

Social Infrastructure Accessibility

Angurugu and Umbakumba have a range of services and facilities similar to other remote Aboriginal townships in the NT. The proximity of Alyangula enables access to a wider range of services than would otherwise be available for residents of Angurugu and Umbakumba.

In Angurugu, services and facilities include:

- A supermarket;
- Linguistics Centre;
- Preschool;
- Angurugu School - a public Preparatory to Year 12 school;
- Library;
- Australian Football League (AFL) oval;
- EARC service delivery centre;
- Groote Eylandt and Milyakburra Youth Development Unit and the Remote Jobs and Communities Program; and
- Medical centre with two general practitioners.

Services and facilities in Umbakumba include:

- A general store;
- Umbakumba School – a public Preparatory to Year 12 school;
- AFL oval; and
- Community crèche.

There is a bus service being trialled between Umbakumba and Alyangula for residents to access services in Alyangula. The proponent also funds a bus service which is provided by Aminjarrinja Enterprises Aboriginal Corporation (Aminjarrinja) and operates between Umbakumba, Angurugu and the existing mine for the mine workforce.

Mobile internet and phone services are available in Angurugu, however there is no mobile reception in Umbakumba. Service providers in Umbakumba highlighted this as an issue affecting the general quality of services in the township.

Roads within and connecting Angurugu and Umbakumba are maintained by the EARC, though often with financial and in-kind assistance from the proponent.

Local Values

The remote location of the Groote Eylandt Archipelago has fostered a strong attachment to traditional culture among the Anindilyakwa People. Almost all Anindilyakwa People speak the language as their first (and sometimes only) language. Anindilyakwa forms a strong part of the culture on Groote Eylandt, and is highly valued by the Anindilyakwa People.

Ceremony and spirituality play a central role in Anindilyakwa life on the Groote Eylandt Archipelago and traditional practices and cultural norms are still prominent on the Archipelago. Anindilyakwa People are proud and protective of their culture. Throughout the EIS consultation, the value placed on culture and language was evident.

During EIS consultation, residents of Angurugu and Umbakumba identified English proficiency as a desired trait for their children primarily for its relationship to economic success. However, preservation of the Anindilyakwa language was also a key concern raised during EIS consultation. The preservation of the Anindilyakwa language is a key aim of the ALC Strategic Plan (ALC 2012a).

Access to employment opportunities is highly valued by the residents of Angurugu and Umbakumba. Residents of Angurugu and Umbakumba identified employment opportunities as a positive outcome of the existing mine. Residents of Angurugu and Umbakumba expressed a desire for sustainable Aboriginal businesses on Groote Eylandt, especially as a method of ensuring the sustainability of Groote Eylandt post-mining. The ALC Strategic Plan focuses on the creation of a sustainable future for Groote Eylandt Archipelago and its population.

According to 2011 ABS Census data there is a low rate of permanent population movement in Angurugu and Umbakumba. Less than 15% of the population of Angurugu (equivalent to 125 people) and Umbakumba (equivalent to 66 people) recorded a change of address in the last five years, compared to approximately 30% in East Arnhem LGA and more than 45% in the NT. However the ALC (ALC 2012a) notes a high rate of temporary movement between the townships of Angurugu and Umbakumba. The lower rate of mobility in the Angurugu and Umbakumba populations suggests a high level of connection to both place and people. This level of connection to place was confirmed during EIS consultation, as Aboriginal residents of Angurugu and Umbakumba identified strongly with Groote Eylandt as their home and expressed a sense of duty to their traditional lands.

The residents of Angurugu and Umbakumba valued the spiritual attachment to land and water; Aboriginal participants consistently referred to the river systems and ocean as important elements of life on Groote Eylandt.

Health and Wellbeing

The health and wellbeing of Aboriginal people in Angurugu and Umbakumba is similar to many remote Aboriginal communities in the NT. Characteristics include:

- Poor hygiene;
- A high prevalence of chronic disease, resulting in significant pressure on already strained remote services; and
- A high prevalence of drug and alcohol abuse.

The introduction of an alcohol management plan on Groote Eylandt in 2005 resulted in a general reduction of violence and criminal behaviour across the island. Marijuana use has, however, increased with the decrease in alcohol availability in the communities, and corresponding social problems are beginning to emerge (Browne and MacDonald 2012). One relatively unique and adverse health feature of the Groote Eylandt Archipelago is the presence of Machado Joseph's Disease (MJD). MJD is a hereditary neuro-degenerative disease that affects the Aboriginal and Torres Strait Islander population of the NT, primarily on Groote Eylandt. MJD is an inherited

disorder, and children of persons with the disease have a 50% chance of also developing the disease. It is estimated that there are approximately 550 persons in the NT currently at risk of developing the disease, the majority of whom reside on Groote Eylandt (MJD Foundation 2014).

Education and Training

Similar to many remote Aboriginal communities in the NT, Angurugu and Umbakumba are characterised by low school attendance and completion rates, and low employment levels.

There is one state school (Preparatory to Year 12) in each of the Angurugu and Umbakumba townships. Angurugu School had the lowest attendance rate of all state schools in the NT in 2013, at just 36% (equivalent to 107 people) (NT DOE 2013a). Attendance at Umbakumba School was significantly higher at 62% (equivalent to 61 people), but still much lower than the NT attendance rate of 83% in 2013 (NT DOE 2013b). ABS statistics show Angurugu and Umbakumba also have significantly lower rates of Years 11 and 12 completion (15% and 30%, respectively) compared to the NT rate of 59%. Research into common reasons for non-attendance of school in Indigenous communities reveals a range of causal factors, including low parental value on education, lack of recognition of Indigenous culture in education, and unemployment, poverty and poor community facilities in remote Indigenous communities (Buckley & Purdie 2010). These factors are likely to play a part in the low attendance and completion rates at Angurugu and Umbakumba Schools. Other issues reported during EIS consultation as having an impact on school attendance and completion included overcrowding of houses and cultural and clan-based tensions within the community.

A number of initiatives are being progressed to increase school attendance and completion in remote Indigenous communities. These initiatives include:

- 'Closing the Gap' commitments, made by the Council of Australian Governments in 2008;
- Significant financial investment by the Federal Government in the Indigenous Advancement Strategy. The objective of the Indigenous Advancement Strategy is to improve outcomes for Indigenous Australians; and
- The NT AFL program which links participation to school attendance. The NT AFL program operates at both Angurugu and Umbakumba Schools

Labour Force

The size of the labour force in Angurugu and Umbakumba in 2011 was 252 people and 103 people respectively. The labour force includes people who are employed, as well as those that are unemployed and looking for work.

In 2011, the unemployment rate was 13% (equivalent to 33 people) in Angurugu and 36% (equivalent to 37 people) in Umbakumba, higher than the NT unemployment rate of 5% (ABS 2014). The unemployment rate is the number of persons who are not employed and are currently looking for work as a proportion of the total labour force. There were 17 males and 16 females from Angurugu looking for employment in 2011 and 20 males and 17 females in Umbakumba also looking for employment at the same time. Female unemployment is only marginally higher than male unemployment, suggesting that females are given equal opportunity to work in all communities on Groote Eylandt.

There are limited opportunities for employment in Angurugu and Umbakumba and, as a result, labour force participation is low. In 2011, labour force participation in Angurugu and Umbakumba was only 45% and 37% of persons respectively, compared to over 70% of persons in the NT. Limitations to labour force participation and employment for residents of Angurugu and Umbakumba include:

- Low levels of literacy and numeracy;
- Low levels of education and skills; and
- High rates of marijuana use.

Economic Vitality

In Angurugu and Umbakumba, structural and cultural barriers to education and employment, and geographical barriers to market access and infrastructure provision have resulted in low levels of economic activity. Current economic diversity is low and is likely to remain so without holistic economic planning.

A trepang (sea cucumber) harvesting joint-venture has recently been established between Aminjarrinja in Umbakumba and Tasmania Seafoods in Darwin, however operations are yet to commence.

The ALC is progressing strategic planning to increase sustainable economic activity in Angurugu and Umbakumba, in order to provide a viable future for Groote Eylandt once mining is completed.

15.6 EXISTING MINING OPERATION

This section provides an overview of the socio-economic characteristics of the existing mining operation including the 2006 Mining Agreement, the process for distribution of royalties associated with the existing mining operation, and the proponent's social investment frameworks. Section 3 – Project Description provides a detailed description of the physical activities undertaken as part of the existing mining operation.

15.6.1 Workforce Employment and Accommodation

Workforce Size and Employment Arrangements

The existing mine has a workforce of approximately 860 people including both employees and contractors.

The workforce associated with the existing mine is employed as either:

- Resident workers – employees who reside permanently on Groote Eylandt and commute on a daily basis between their residence and the existing mine; or
- Non-resident workers – employees or contractors who FIFO to and from Groote Eylandt to undertake work. These workers live in Alyangula temporarily while rostered on, but have their permanent place of residence located on mainland Australia.

Workforce Accommodation

There are currently 292 resident (non-FIFO) workers employed at the existing mine. Approximately 23 employees live outside Alyangula in the communities of Umbakumba and Angurugu. The remaining 269 resident workers live permanently in Alyangula, in proponent-owned housing.

The non-resident (FIFO) workforce comprises 568 people. Accommodation for the non-resident (FIFO) workforce is provided in a number of accommodation villages. These accommodation villages provide a combined total of approximately 480 rooms. Accommodation village rooms are operated on a motel style arrangement. A maximum of approximately two-thirds of the FIFO workforce (375 workers) is on roster at any one time. This leaves a minimum surplus of approximately 100 accommodation rooms that can be made available. This arrangement is designed to ensure accommodation capacity is available for additional temporary workers associated with periodic construction projects and maintenance shut down work.

15.6.2 Local Aboriginal Employment

A total of 46 ATSI people are employed by the proponent. This includes 33 local Aboriginal persons and a further 13 non-local ATSI persons. They are employed across a range of disciplines which include mine production, maintenance, rehabilitation and township services. Local Aboriginal employment at the existing mine has steadily increased since the introduction of the *Rehabilitation & Mine Services Aboriginal Employment Strategy* (RMS Strategy) (GEMCO 2011).

Despite the size of the Aboriginal population on Groote Eylandt, availability of labour is low. Based on ABS Census data there were 1,115 people in the labour force of the Anindilyakwa SA2 in 2011 including 118 unemployed people, the majority of whom are Aboriginal. Taking into account considerations such as a willingness to work, age and disability, the pool of Aboriginal labour currently available for mine-related employment (i.e. they are unemployed and seeking work) in the Anindilyakwa SA2 is less than 118 people.

Aboriginal employment at the existing mine has not only been constrained by the available Aboriginal labour pool, but also by endemic issues such as low levels of literacy and numeracy within the Aboriginal community of Groote Eylandt.

The proponent has a range of Indigenous participation strategies and plans that are implemented as part of operations at the existing mine. These strategies and plans include the Indigenous Employment Strategy and the RMS Strategy.

The current Indigenous Employment Strategy focuses on:

- Establishing and maintaining a trained and qualified mentor network in the workforce;
- Implementing culturally appropriate recruitment and induction processes; and
- Maintaining a training program that gives the skills necessary for the job.

The existing RMS Strategy has focused to date on increasing local Aboriginal employment within the Rehabilitation and Mine Services section of the existing mine as well as building capacity within the local Aboriginal community.

Local Aboriginal employment at the existing mine has steadily increased since the introduction of the RMS Strategy. The success of the RMS Strategy is being carried over into a new employment strategy for the existing mine which aims to increase Aboriginal participation in roles beyond the mine rehabilitation services sector.

The proponent is working proactively to overcome low education levels and low labour force participation in the Aboriginal communities of Groote Eylandt. The proponent is working with the NT DOE on improving school attendance rates, and offering traineeships rather than apprenticeships, as the latter requires significantly higher literacy and numeracy levels than the former.

15.6.3 Royalty Arrangements

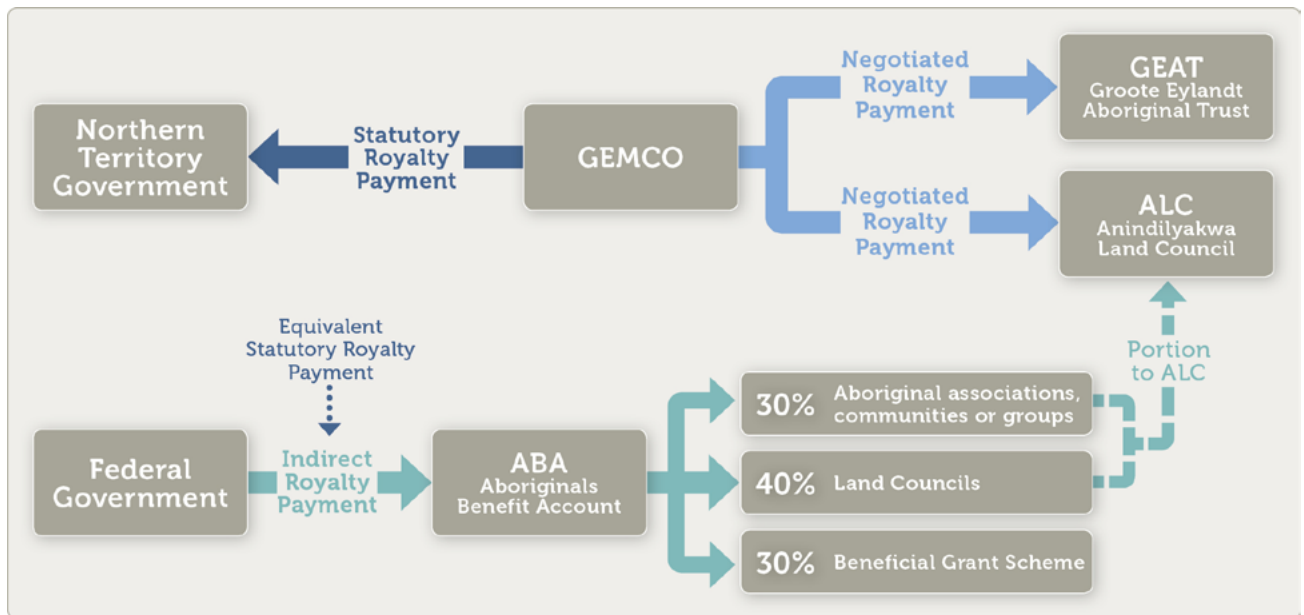
This section describes the current royalty payment arrangements for the existing mine and the associated royalty receipt arrangements for the NT and Federal Governments, the ALC, and the Groote Eylandt Aboriginal Trust (GEAT).

There are three kinds of royalties relevant to the existing mine:

- Negotiated;
- Statutory; and
- Indirect.

The distribution of these royalty payments is presented in Diagram 15-1, and each royalty type is discussed in the following sections.

Diagram 15-1 Royalty Arrangements



Negotiated Royalty Payments

Negotiated royalties are royalty payments agreed to under a negotiated agreement rather than in accordance with a statutory requirement. The proponent makes the following negotiated royalty payments for the existing mining operation:

- Royalty payments to GEAT in accordance with the conditions of the private agreement between the proponent and the Church Mission Society (CMS) for the establishment of the existing operations in 1963. GEAT was established by the CMS for the purpose of receiving royalty payments associated with the mining operation. The value of these royalties is Commercial in Confidence information and unable to be released in this document.
- Royalty payments to the ALC on behalf of the Traditional Owners of Groote Eylandt as part of the 2006 Mining Agreement. According to ALC Annual reports between 2005 and 2013, the proponent contributed an average of over \$8 million a year in negotiated royalty payments to the ALC (ALC 2006-2008, 2011, 2012b, 2013).

Statutory Royalty Payments

The proponent is required to pay royalties to the NT Government under the *Mineral Royalty Act*. Between 2007 and 2013, the proponent paid, on average, nearly \$100 million per annum in royalties to the NT Government. The NT Government uses these royalties to fund general revenue.

Indirect Royalty Payments

Indirect royalty payments are made into the Aboriginal Benefit Account (ABA) as a result of the proponent's royalty contribution to the NT Government. The ABA is a Federal Government fund that supports and enhances Aboriginal communities across Australia. Under the provisions of ALRA, for every dollar of royalties received by the NT Government for mining on Aboriginal Land, the Federal Government now contributes an equivalent amount to the ABA. As noted above, this averaged nearly \$100 million per annum between 2007 and 2013. This contribution to the ABA is sourced from general Federal Government revenue (DSS 2013). The ABA is administered by the Federal Department of the Prime Minister and Cabinet.

In the 2012-2013 financial year over 65% of the funds received by the ABA were a result of the proponent's royalty contributions to the NT Government (DSS 2013).

Under the provisions of the ALRA, ABA royalty receipts are distributed as follows:

- 30% are distributed to incorporated Aboriginal associations, communities or groups for distribution to Aboriginal people affected by mining in the NT. On Groote Eylandt, these funds are distributed to the Traditional Owners through the ALC;
- 40% are allocated to Land Councils in the NT, including the ALC, to administer their statutory responsibilities. Between 2012 and 2013 ABA contributions accounted for over 60% of the ALC's income (DSS 2013); and
- 30% is used to administer the ABA and to fund a Beneficial Grants scheme to assist the development of Aboriginal people throughout the NT (DSS 2013).

15.6.4 Anindilyakwa Land Council Royalty Benefits

As detailed in Section 15.6.3, the ALC receives direct negotiated royalty payments from the proponent. These direct payments have enabled the ALC to deliver improved services to the Traditional Owners on Groote Eylandt. As an incorporated Aboriginal association, the ALC also receives payments from the ABA. Between 2005 and 2013, the ALC received an average of approximately \$21 million a year from the ABA (DSS 2013).

In accordance with the requirements of ALRA and the ABA, the ALC distributes a portion of the royalties received from the ABA as a twice-yearly payment to each Anindilyakwa person over the age of 18 residing on the Groote Eylandt Archipelago. The remainder of annual royalties received from the ABA is invested by the ALC into the Groote Eylandt community in the form of infrastructure, programs and payments. The ALC funds an incorporated body, Groote Eylandt and Bickerton Island Enterprise (GEBIE), which funds and manages a number of Aboriginal enterprises on the island. GEBIE manages the investment of the bulk of the royalties that the ALC receives from the existing mine.

Royalty payments to the ALC have resulted in a number of substantive improvements on Groote Eylandt primarily facilitated through the Groote Eylandt and Bickerton Island Regional Partnership Agreement (RPA). The RPA is a Federal Government initiative to assist the proponent, the ALC, Federal, Territory and Local governments to work together to improve conditions for Aboriginal people living in the Anindilyakwa region. To date investments through the RPA have facilitated a range of improvements on Groote Eylandt including the:

- Establishment of township leases over Angurugu and Umbakumba;
- Building of 80 new houses and refurbishment of 110 houses in Angurugu and Umbakumba;
- Sealing and upgrade of the road between Angurugu and Umbakumba; and
- Establishment of the GEBIE 'Job Shop', which provides employment and job readiness training to Aboriginal residents of Groote Eylandt.

15.6.5 Social Performance and Investment

The proponent has an established social performance framework which outlines the performance requirements of the proponent's operations, specifically in relation to:

- Contributing to sustainable community development programs;
- Managing the potential negative risks and social impacts;
- Governance over community development projects and donations; and
- Enhancement of the company's licence to operate and to grow its business.

The proponent has a Community Development Management Plan (CDMP) which includes a social investment framework. The proponent's social investment initiatives are implemented using matched-giving, organised donations and informal and "in-kind" support.

Matched-Giving

The proponent implements a matched-giving program for employees, where employees are paid \$20 an hour for time spent volunteering for a community organisation. Costs incurred by employees while managing local community organisations are reimbursed \$1 for every \$2 spent.

Organised Donations and Informal and “in-kind” support

The proponent supports a number of organisations and programs on Groote Eylandt, and has recently committed \$1 million over four years to the MJD Foundation. The MJD Foundation provides support and services to sufferers of MJD and their families.

The proponent currently provides ‘in-kind’ support to a range of local initiatives that are aligned with the overall goals of developing capacity and/or community spirit on Groote Eylandt. Benefits provided to the communities of Groote Eylandt at low or minimal cost include:

- Provision of household gas to Alyangula residents;
- Provision of ice to the communities of Groote Eylandt;
- Provision of an ambulance and fire emergency support services to the communities of Groote Eylandt;
- Transport to work for Aboriginal employees from Umbakumba and Angurugu;
- An annual Picnic Day fair;
- Flights for community support program participants;
- Equipment for the One People One Voice Indigenous festival; and
- Other minor incidental benefits provided at no cost or with minimal surcharge, e.g. fuel and some hardware items.

These benefits are generally provided to all residents of Groote Eylandt without exception.

The proponent also provides support for community goals and values through non-financial actions, including:

- Maintaining a strict workplace drug and alcohol program that encourages abstinence in the community;
- Actively participating in monitoring the effectiveness of alcohol management policies on Groote Eylandt through membership of the Alcohol Permit Committee;
- Providing mentorship and encouraging school attendance;
- Supporting Cane Toad exclusion controls to assist in maintaining the biodiversity values of Groote Eylandt; and
- Enforcing employee and contractor behaviour standards which align with the values of the Groote Eylandt community, including enforcement of consequences for violation of Aboriginal protocols (e.g. dismissal of employees or contractors accessing traditional land without a permit).

15.7 PROJECT CHARACTERISTICS

This section describes the specific characteristics of the project relevant to the assessment of socio-economic impacts. Section 3 - Project Description provides more detailed information about the project.

15.7.1 Construction Phase

There will be two short construction periods for the project; each will require a workforce of 90 people for 12 to 18 months. These construction periods are currently scheduled for approximately Project Years 1 and 2 and Project Years 6 and 7.

15.7.2 Operations Phase

Mining activities in the Northern EL are scheduled to commence in Project Year 2 and mining will extend until Project Year 15. The workforce of the existing mine is forecast to be approximately 835 persons in 2018 when project operations commence.

The project is an additional mining area that will be operated as part of the existing mine, rather than as an independent mine. Consequently, the project operations workforce will be drawn from the workforce of the existing mine and there will be no change in the size of the proponent's workforce. Although the project will not increase the size of the workforce at the existing mine, it will extend the life of the existing mine by around four years, providing employment for 835 people for an additional four years.

15.7.3 Decommissioning Phase

A four-year final decommissioning phase will be undertaken in Project Years 16-19, after mining operations have ceased. The peak decommissioning workforce will be approximately 50 persons in Project Years 16, 17 and 18. The decommissioning workforce will be sourced from the existing mine workforce.

15.7.4 Workforce Employment and Accommodation Arrangements

The project construction workforce will be employed primarily as non-resident workers on a FIFO roster arrangement because of the short-term nature of the construction phases. Rosters for the project construction workforce will be consistent with rosters for the existing operations.

Employment arrangements for the project operations workforce, including FIFO split and roster, will be consistent with current arrangements that are in place for the existing mine operations workforce.

There is sufficient capacity within the proponent's existing workforce accommodation for the project construction workforce (Section 15.6.1).

The project is not anticipated to increase the size of the existing mine workforce, and as such no additional accommodation will be required for the operations phase of the project.

15.8 POTENTIAL IMPACTS AND MITIGATION MEASURES

A detailed analysis of impacts and a description of proposed management commitments is contained in the *Socio-economics Report* (Appendix K). This section provides a summary of the potential social impacts and opportunities arising from the project and the commitments of the proponent related to the management of impacts.

The existing mine has operated on Groote Eylandt for over 50 years. The proponent has an established framework for the management of socio-economic impacts and benefits relevant to the existing operations (Section 15.6.5). All existing procedures operating within this framework will be applicable to the project. In addition to these procedures, the SIA has identified further actions to avoid, mitigate and/or manage specific project related socio-economic impacts. These additional actions are based on the outcomes of EIS consultation and technical studies.

The predicted negative socio-economic impacts of the project and the management measures proposed for these impacts are outlined in Table 15-3. The predicted socio-economic benefits of the project are outlined in Table 15-4.

Table 15-3 Summary of Potential Socio-economic Impacts and Management Commitments

POTENTIAL IMPACT	DESCRIPTION	MANAGEMENT COMMITMENT
Community Demographics		
Loss of access to land	■ During EIS consultation, Aboriginal stakeholders reported a number of recreation activities and traditional practices currently carried out on the Eastern Leases. ■ Once construction commences, access to the project site will be restricted to the project workforce. Traditional Owners will no longer have access to land or resources such as bush tucker within the project site.	■ The negotiation of a new Mining Agreement for the project is the primary vehicle for addressing the impacts associated with loss of access to land for Traditional Owners. ■ Land within the project site will be progressively rehabilitated to create self-sustaining open woodland, similar to the pre-mining environment. Section 6 – Mine Rehabilitation and Closure provides further detail. This rehabilitation strategy is designed to ensure that the land can be made available again to the Traditional Owners following mine closure.
Impacts on social amenity	During EIS consultation, stakeholders raised concerns in relation to the potential impact of the project on the amenity of Angurugu and nearby outstations.	■ The potential impact of the project on air quality, noise levels and visual amenity at sensitive receptors is discussed in Section 12 - Air Quality, Section 13 – Noise and Vibration, and Section 14 - Visual Amenity, respectively.
Anxiety and uncertainty surrounding new mining areas	It is likely that, despite the findings of the comprehensive EIS technical studies, Aboriginal stakeholders will continue to have concerns about potential impacts to the environmental assets of the Groote Eylandt Archipelago.	■ The proponent is committed to working with the ALC to openly communicate with local Aboriginal residents regarding activities at the existing mine and activities proposed as part of the project. ■ The proponent has an established communications framework and conducts a community perception survey of residents of Angurugu and Umbakumba every three years. The proponent will share these survey results with the ALC and work with the ALC to respond to any issues or concerns raised.

POTENTIAL IMPACT	DESCRIPTION	MANAGEMENT COMMITMENT
Impacts on spirituality and sacred sites	Spirituality is intrinsically linked to land for Aboriginal Australians. Traditional Owners raised significant concern in relation to the potential for the project to impact on their spiritual values. These concerns included: ■ Sacred Sites – Concerns in relation to disturbance of sites that are considered to have special significance to Anindilyakwa culture. ■ Songlines – A number of the river systems on Groote Eylandt form part of the Traditional Owners' spiritual songlines or have connections to songlines. Traditional Owners are concerned about the potential impact of the project on the watercourses that traverse the project site, particularly the Emerald and Amagula Rivers. ■ Caring for Land and Water - The Traditional Owners' spiritual system is based on the protection of and a connection to the land. Traditional Owners believe that their health and wellbeing is intricately connected to the health and wellbeing of the land.	■ The proponent is currently engaged in a process with the ALC in relation to the identification and management of sacred sites (which may include songlines). The sacred sites assessment will ultimately culminate in an application for an Authority Certificate under the <i>Northern Territory Aboriginal Sacred Sites Act 1989</i>. ■ Section 16 - Archaeology describes the archaeological sites (physical sites) identified within the project site as part of the EIS archaeology study. ■ Section 10 - Surface Water describes the management measures that will be adopted to avoid disturbance of significant watercourses traversing the project site and protect water quality in the Emerald and Amagula Rivers during project construction and operations.

POTENTIAL IMPACT	DESCRIPTION	MANAGEMENT COMMITMENT
Loss of connection to place	The Anindilyakwa people of Groote Eylandt have experienced considerable social change since the establishment of the Anglican Church Mission in 1921. The Anindilyakwa people are struggling to preserve their language and their cultural traditions in the face of significant social change. The loss of access to the project site during project construction and operation, and the potential for the project to impact Anindilyakwa spiritual values may have a cumulative impact on the ability of the Anindilyakwa people to preserve their cultural traditions. However, the economic benefits provided by the existing operation, and proposed to be continued as a result of the project, will assist in enabling the Anindilyakwa people to continue to live on Groote Eylandt in a manner consistent with their culture despite the pressures and influences of modern Australian culture. Economic benefits include the payment of royalties and provision of employment opportunities. Royalty payments to the ALC have been used to: ■ Fund the construction of Knowledge Centres in Alyangula, Angurugu, Umbakumba and Milyakburra to positively engage Anindilyakwa People in the development and protection of their culture; and ■ Support cultural practices associated with ceremonies and funerals.	■ The proponent has an established social investment framework (in addition to negotiated and statutory royalty payments) which to date has included investment in actions to protect the Anindilyakwa culture. ■ Land within the project site will be progressively rehabilitated to create self-sustaining open woodland, similar to the pre-mining environment. Section 6 – Mine Rehabilitation and Closure provides further detail. This rehabilitation strategy is designed to ensure that the land can be made available again to the Traditional Owners following mine closure. ■ Section 10 - Surface Water describes the management measures that will be adopted to avoid disturbance of significant watercourses traversing the project site and protect water quality in the Emerald and Amagula Rivers during project construction and operations. These watercourses are important in Anindilyakwa culture.

Table 15-4 Summary of Potential Socio-economic Benefits

POTENTIAL BENEFIT	DESCRIPTION OF SOCIO-ECONOMIC BENEFIT
Employment	
Continuation of Employment	■ Based on current mine planning, the project will increase the life of the existing mine by approximately four years. This will enable a continuation of employment for approximately 835 workers for this period. ■ The proponent is committed to providing job opportunities to the local residents of Angurugu and Umbakumba. The proponent is updating the current Indigenous Employment Strategy for the existing mine. The updated strategy will be applicable to the project.
Continuation of Service and Facility Provision	■ As a result of the proponent's contributions to infrastructure and services on Groote Eylandt, residents of all three main communities enjoy a greater level of service than would otherwise be provided by government funding alone. ■ The additional years of operations will enable the continuation of utilities and public services currently provided to Alyangula, Angurugu and Umbakumba by the proponent. These services include: – Power to Alyangula and Angurugu; – Water to Alyangula, Angurugu and Umbakumba; – Gas to Alyangula, Angurugu and Umbakumba; – Road maintenance in Alyangula; and – Ambulance and emergency services to the whole of Groote Eylandt.
Economic benefits to Traditional Owners	■ The project will require the negotiation of a new Mining Agreement including royalty payments to Traditional Owners on Groote Eylandt. The project is expected to result in an additional four years of royalty payments to the ALC under the Mining Agreement. ■ The additional four years of NT royalty payments will result in an additional four years of Federal government funding for the ABA (Section 15.6.3). Annual payments to the ABA as a result of the proponent's NT royalty contributions averaged nearly \$100 million between 2007 and 2013.
Economic benefits to Groote Eylandt	The additional four years of operations will result in an additional four years of operational expenditure on Groote Eylandt equal to approximately \$1.9 million per year. This expenditure includes procurement from local businesses and contracts with local organisations.
Economic benefits to the NT	■ Capital expenditure in the NT will be approximately \$160 million during the construction of the project. This expenditure includes purchases of materials, equipment and services, as well as salaries and wages for project and construction personnel. ■ Royalties from the project will be paid to the NT Government. The project is expected to result in an additional four years of statutory royalty payments. ■ In addition to royalties, the NT will also benefit from an additional four years of operational expenditure from the project, equal to approximately \$130 million. This spend is in addition to royalty payments and includes wages and procurement spend.

POTENTIAL BENEFIT	DESCRIPTION OF SOCIO-ECONOMIC BENEFIT
Economic benefits to Australia	Based on current mine planning, the project will increase the life of the existing mine by approximately four years. This will result in an additional four years of tax payments to the Federal Government, equal to approximately \$100 million per year for each additional year.
Progression of mine closure planning	The negotiation of a new Mining Agreement for the project provides an opportunity for the proponent and the ALC to work collaboratively in relation to mine closure planning.

15.8.1 Monitoring and Reporting

The proponent adheres to existing corporate procedures, which specify standardised monitoring and reporting requirements. These reporting requirements include monthly monitoring of:

- Employee and contractor health and wellbeing; and
- Community complaints.

In addition, the proponent is required to address corporate requirements relating to community engagement, community development and human rights requirements at each stage of the project lifecycle. Relevant corporate requirements include:

Human Rights Monitoring

The proponent's corporate procedures require an assessment of the impacts of its operations against the Universal Declaration of Human Rights and the Global Compact. A Human Rights Impact Assessment (HRIA) is required to be conducted every three years and reviewed annually. A HRIA Management Plan is required to be developed, implemented and reviewed annually where material impacts are identified in the HRIA. The proponent will continue to conduct HRIAs and implement the findings as necessary.

Social Baseline Study

The proponent is also required to complete a social baseline study, assess key quality of life indicators and conduct a social impact and opportunity assessment during the project development phase in order to address relevant corporate requirements. The SIA prepared as a part of the EIS (refer to Appendix K) constitutes the social baseline study and impact and opportunities assessment for the project. Key quality of life indicators identified through social baseline studies and community perceptions surveys, and agreed with the proponent, will continue to be monitored during the project life of operations. Community development projects that respond to the key quality of life indicators are required to be identified and implemented during project operations.

Community Development Management Plan

The CDMP for the existing mine comprises the proponent's social investment framework, and includes:

- A register of community development projects and donations, commitments and approvals; and
- A register of the employee matched giving program.

The CDMP will be reviewed and its effectiveness evaluated on an annual basis.

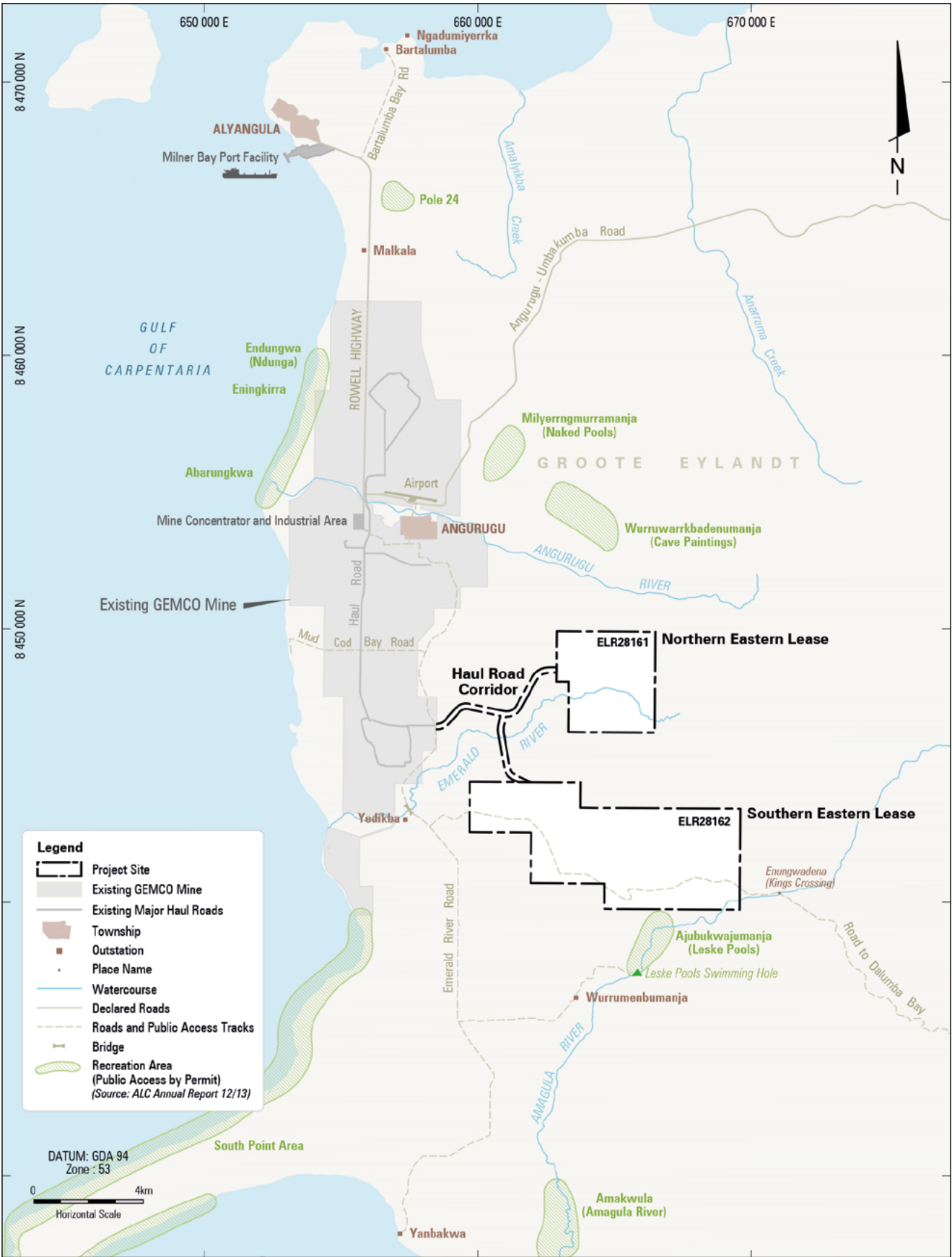
Community Perceptions Survey

The proponent conducts a Community Perceptions Survey in the three communities on Groote Eylandt every three years, in accordance with corporate requirements. The Community Perceptions Survey includes questions in relation to local perceptions of the proponent's performance in environmental and social management, as well as the effectiveness of the proponent's communications channels. The proponent will continue to conduct Community Perception Surveys and will include consideration of the project in future surveys.

FIGURES



FIGURE 15-1



EASTERN LEASES PROJECT

Local Setting

FIGURE 15-2