

In the Environment Court
at Christchurch

under: the Resource Management Act 1991

in the matter of: an appeal under section 120 of the Act

between: **West Coast Environmental Network Incorporated**
(ENV-2011-CHC-095)
Appellant

and: **Royal Forest and Bird Society of New Zealand
Incorporated**
(ENV-2011-CHC-097)
Appellant

and: **West Coast Regional Council and Buller District
Council**
Respondents

and: **Buller Coal Limited**
Applicant

Statement of evidence of James Talbot Baines

Dated: June 2012

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**CHAPMAN
TRIPP** 

STATEMENT OF EVIDENCE OF JAMES TALBOT BAINES

QUALIFICATIONS AND EXPERIENCE

- 1 My name is James Talbot Baines.
- 2 I am a founding director of Taylor Baines & Associates and a specialist in social assessment.
- 3 I have undertaken training courses in Social Assessment, and have been a member of the International Association for Impact Assessment (IAIA) for the past fifteen years and the New Zealand Association for Impact Assessment for the past seventeen years. Between 2000 and 2006 I was Chairperson of the IAIA's Social Impact Assessment Section, during which time the Section developed the most recent set of principles for the practice of Social Impact Assessment (SIA). During this time I have also been engaged both in New Zealand and in South East Asia to provide professional training in SIA and to develop SIA implementation programmes in Malaysia on behalf of the United Nations Development Programme.
- 4 In total, I have had twenty-three years experience in applied social research and SIA work. This has included participation and leadership in several multi-year social research programmes under contract to the Foundation for Research Science and Technology, as well as a wide variety of consultancy contracts for both public and private sector clients.
- 5 Within New Zealand, my professional experience covers the application of social impact assessment in numerous parts of the country and across a wide range of proposals, including local government boundary changes, urban development plans, air quality plans, waste management facilities, prisons, mall and supermarket developments, port developments, casinos, marine farms and energy infrastructure developments.
- 6 Of particular relevance to this hearing, I have appeared recently as an SIA expert at resource consent hearings for the Mokihinui Hydro Project proposed by Meridian Energy Limited.
- 7 In addition to my training as a social assessment specialist, I hold a Bachelors Degree with Honours in Chemical Engineering from the University of Canterbury and a Post Graduate Diploma in Teaching from Wellington Teachers Training College.
- 8 I have in the past been called upon as an expert witness in a variety of settings including resource consent hearings, appeals to the Environment Court, and hearings before the Local Government

Commission, the Casino Control Authority and a Board of Inquiry for the Environmental Protection Authority.

- 9 In preparing for Buller Coal Limited's (BCL's) Escarpment Mine Project in January 2012 I visited the Denniston Plateau, the Waimangaroa locality, the Fairdown locality and Westport and its Environs. I conducted my social impact assessments in the period January-May 2012.
- 10 In preparing this evidence I have also read the statements of **Mr Geoff Butcher** (economics), **Mr Rob Greenaway** (recreation) and **Mr Hamish Bohannon** (company) whose evidence contains information relevant to my area of expertise.
- 11 My evidence is based on the project proposal as described in **Mr Les McCracken's** evidence.
- 12 I have read the Code of Conduct for Expert Witnesses contained in the Environment Court consolidated practice note dated November 2011 and I agree to comply with it. I have complied with it in the preparation of this statement of evidence. I confirm that this evidence is within my area of expertise.

SCOPE OF EVIDENCE

- 13 I have been asked to provide an assessment of the likely social effects of the Escarpment Mine Project, including a description of the socio-economic environment of northern Buller, with an emphasis on recent trends, followed by an analysis of the likely social effects to be expected in Westport and the wider Buller District as a result of the Escarpment Mine and the associated port upgrade at Westport.
- 14 The main focus of my social impact assessment of BCL's proposal has been on the social effects associated with the employment created by the Escarpment Mine project. This focus was influenced by two factors. First, the potential social effects related to mining operations on the Denniston Plateau itself are likely to be associated with people involved in tourism and recreation activities. These effects are addressed in **Mr Greenaway's** assessment. Secondly, the potential off-site social effects related to the coal handling facility adjacent to the Fairdown straight on SH67 have been the subject of mediation between BCL and the Fairdown-Whareatea Residents Association that has led to an agreement between the parties and a withdrawal of the Association's appeal. Consequently, I was asked not to make an assessment of the potential direct social effects for these local residents. Nevertheless, my assessment does incorporate the District-wide consequences of that quantum of

employment which would be associated with the coal handling facility.

- 15 I also note that my assessment has been based around two scenarios:
- 15.1 BCL's mining activities in the District being limited to the 5-6 year duration of the Escarpment Mine Project itself, assuming no further BCL activity thereafter (which I will refer to as the BCL Single Project scenario); and
 - 15.2 future BCL mining proposals coming on line once the Escarpment Mine Project itself is completed (which I will refer to as the BCL Continuation scenario)
- 16 The two scenarios are relevant and different. The first envisages the growth and decline of BCL's activities in the District in relatively quick succession. The second envisages growth and continuation of BCL activity over a sustained period in future – however I emphasise that my assessment has not attempted to assess the potential social effects of future BCL projects *per se* – and it is therefore appropriate, at this point in my evidence, that I simply note that the company has indicated to me its intention to become a long-term enterprise in the District, a prospect which would seem to be borne out by its investment of \$30m to upgrade the infrastructure of the port and by the number and extent of additional mineral licences which it holds in the District, even though it has consents for only a few of them¹.

OVERVIEW OF ASSESSMENT FINDINGS

- 17 The social effects associated with BCL's employment will be experienced predominantly in Buller District itself. These are the effects that result from the recruitment of up to 225 people directly by BCL or its leading contractor - jobs at the mining operation on Denniston Plateau as well as at the coal handling facility on the coast - and an additional 193 jobs indirectly in supporting services or induced by workforce expenditures in the District economy, most of which will be located in and around Westport.
- 18 Given the low levels of unemployment in the District, the project is expected to recruit its workforce as mainly new residents to the District, therefore resulting potentially in an increase to the resident population of between 800 and 950² people over the subsequent 2-3 years following the commencement of mining, when indirect and

¹e.g. Cascade Mine and Coalbrookdale Mine.

²This range reflects different assumptions about the percentage of the workforce that becomes resident in the District, as explained in paragraphs 35-41 below.

induced job creation and household dependents are taken into account.

- 19 Assuming the effects are well managed, most of the social consequences of this increase in resident population are expected to be beneficial, in terms of contributions to local organisations (participation in primary and secondary schools and in cultural and sporting organisations, increased expenditures for local businesses generally, an 8%-9% increase in the number of residential ratepayers in the District supporting community facilities and services, an increment to the District's corporate sector which contributes substantially to providing community infrastructure and services, and a strong alignment with several of the District Council's agreed Long Term Plan outcomes.
- 20 The arrival of some 350-400³ additional households over a period of 2-3 years does however have the potential to create some social risks, at least in the short term.
- 21 The first of these risks is associated with the scarcity and affordability of housing in the District, particularly around Westport. It is possible that, in the short term, not all workers recruited by BCL or its lead contractor will be able to find suitable accommodation in the District, and therefore have to adopt a DIDO⁴ or FIFO workstyle. To the extent that this occurs, the extent of the beneficial social effects identified will be reduced, while the extent of the potential social risks remains, and excess demands on some social services might increase for a while until supply adjusts.
- 22 The second risk relates to the shortage of pre-school education and after-school childcare services (something that is an issue at the moment although not by any means attributable entirely to the BCL project). Nevertheless, the BCL project may exacerbate this social risk in the short term which might in itself therefore influence some young families from taking up residence in the District.
- 23 On the other hand, both of these risks to some in the community also represent potential new business opportunities to others in the provision of new housing stock and additional pre-school services.
- 24 If I assume that BCL's involvement in the District is limited to the Escarpment Mine project alone, the District will experience the range of social benefits that I have described previously (at paragraph 19) for that finite period of time, as well as a level of legacy benefits that will continue even after BCL's presence comes to an end. These legacy benefits include, for example,

³These estimates are rounded from figures presented in Table 1, paragraph 41 below.

⁴DIDO means Drive In/Drive Out workers and FIFO means Fly In/Fly Out workers.

improvements in the quantum and quality of the District's housing stock, the continued availability of the upgraded port facilities, and the likely residual increase in the District's usually resident population, as I have described.

- 25 If there are other BCL projects in the future (or other further mining activities undertaken by others in the District) then both the legacy benefits and the more immediate benefits will continue. However, and as noted above, I have not attempted to assess the additional social effects of future BCL mining activities on completion of the Escarpment Mine Project.– The primary purpose of discussing a BCL Continuation Scenario is to provide a comparison to the BCL Single Project scenario and to allow for the fact that either scenario is possible.
- 26 Overall (including either scenario) I conclude that the Escarpment Mine proposal substantially enables the communities of northern Buller District to provide for their social and cultural well being, and for their health and safety, and in doing so the proposal is consistent with the purposes of the Resource Management Act.

THE ROLE OF SOCIAL IMPACT ASSESSMENT (SIA)

- 27 The role of SIA in RMA proceedings is influenced both by the express purpose of the Act itself and its related definitions, and by the principles of SIA practice (I provide a more detailed explanation of this in **Appendix 1** to my evidence). The latter includes a requirement for community involvement in the assessment.

APPROACH AND METHODS FOR THIS SOCIAL IMPACT ASSESSMENT

- 28 The analytical framework used in this SIA is based on a consideration of elements which contribute to social wellbeing. A conceptual framework, which has been adopted in a range of other SIAs and social research contexts in New Zealand in recent years, comes from social indicators work in the Organisation for Economic Co-operation and Development ("OECD") and parallels closely the framework adopted by the Ministry of Social Development in its Annual Social Report. The OECD work identified key areas of social life which shape well being. The most relevant of these key areas to this case are -
- 28.1 opportunities for income, employment and the quality of working life;
- 28.2 the quality of housing, shelter, neighbourhood and living place;

- 28.3 opportunities for leisure and recreation, time to enjoy them, and access to quality outdoor/open space;
- 28.4 influences on family life, social attachment, social contact, interaction and support;
- 28.5 the state of physical and mental health;
- 28.6 opportunities for formal education and lifelong learning;
- 28.7 influences on participation in community and society, including participation in organised groups and social activities; and
- 28.8 access to public facilities, transport, communications, and access to goods and services.
- 29 This framework has been adopted by Taylor Baines & Associates for some years, and has been accepted on numerous occasions by hearings committees, the Environment Court and an EPA Board of Inquiry.
- 30 I adopted a phased approach for the SIA work underpinning this statement. My first visit on 24 and 25 January 2012 provided me with the opportunity to attend a briefing of expert witnesses and to visit the Denniston Plateau, the Escarpment Mine site and the Cascade Mine site. This was followed with a Scoping visit on 13-15 February 2012 in order to initiate key informant interviews, to initiate data retrieval requests, to identify a range of other key informants and data sources, and to familiarise myself with the Fairdown site proposed for the coal handling facility and the port facilities. A main assessment visit took place on 28-30 March 2012 to extend the coverage of interviews and gather more data. Subsequent interviews have been conducted by phone from Christchurch. A full listing of interviewees is provided in **Appendix 2** to this statement.
- 31 My assessment has involved a mix of information-gathering methods and data sources. The main source of primary data was the collective experience and knowledge of key informants in a range of organisations in Buller District. Secondary data has been obtained from a variety of sources, including official statistics, Buller District Council records, the Department of Building and Housing, the Real Estate Institute of New Zealand, the Ministry of Social Development, local schools, and others. All data sources are referenced in footnotes in this statement and the appendices.

THE EXISTING SOCIAL ENVIRONMENT

- 32 An understanding of the existing social environment in northern Buller District and Westport provides the necessary backdrop against which to assess the potential social effects of BCL's Escarpment Mine Project. This is described in some detail in **Appendix 3** to this statement, so I shall summarise only the more salient highlights here -
- 32.1 Buller District is presently experiencing something of a socio-economic transformation, triggered in large measure by the most recent expansion in mining activity in the Buller coalfields, a phase which began in about 2005 and 2006. While this transformation indicates new opportunities for many in the District, there are some for whom it has made lives more precarious.
- 32.2 The Council's Long Term Council Community Plan 2009-2019 sets out community outcomes, indicative of the values and aspirations of the District community as a whole. Of particular relevance to this application are outcome aspirations for District Identity, Economy and Environment.
- 32.3 Prior to the millennium, the District's resident population was in decline. This decline was arrested some time before 2006, and since 2006 the resident population of the District is estimated⁵ to have grown by just under 2%. The proportion of the District's population resident in Westport or close to the Buller coalfields has grown slightly faster during this last period, but has still not returned to 1996 levels. Furthermore, current projections of household numbers by Statistics NZ range between further growth, stabilisation and decline.
- 32.4 Recent trends identified in census data and population estimates for the District, provided by Statistics NZ indicate marked recent growth particularly associated with young workers in the early years of their working lives, households with new families, and retirees.
- 32.5 It is evident from the employment data that most of the growth in jobs in the District over the past decade occurred in the period 2006 to 2011, a period when the mining sector has contributed 71% of the overall growth in employee numbers in the District. Official unemployment records also trended downwards steadily over this period.

⁵Estimated by Statistics NZ.

- 32.6 Some of the difference between the increase in employee numbers and the increase in resident population is explained by the incidence of long-distance commuting workers, sometimes referred to as DIDO or FIFO workers, and contractors who make occasional or periodic short-term visits to the District. While there is much anecdotal and observational evidence that a substantial number of people working in Buller District are not permanent residents, no accurate estimate of the extent of the DIDO or FIFO workforce in Buller District is currently available.
- 32.7 A major change in the local housing market has occurred over the past 5-6 years, since the mining sector activity began to increase. High demand for houses to buy or rent has seen property values and average weekly rents rise steeply, particularly in the past couple of years, and a corresponding sharp decline in the availability of rental accommodation.
- 32.8 Recent trends in primary school enrolments and pre-school waiting lists, and the increasing retention of senior students in the high school are linked to the resurgence in mining sector activity. While there is plenty of spare capacity in the primary and secondary schools in Westport, there is a distinct shortage of pre-school capacity, even once the current new developments at Westport Kindergarten are completed.
- 32.9 Publicly-funded health services in Buller District continue to face tight funding constraints, and the District has no private medical practices.
- 32.10 Buller District has a broad range of social services, most of which are based in Westport, with a few based in Greymouth. Services such as New Coasters, which helps new arrivals get established in the community, came into existence in response to the new wave of District arrivals associated with the mining boom. Social services such as the Budget Advisory Service, Homebuilders and Women's Refuge have experienced increases in demand at the level of recent population growth, but also reflecting the increasingly challenging financial circumstances for households, particularly lower-income households. The Police and the Drug and Alcohol Counselling Service have not observed any noticeable increase in incidents or referrals that they would attribute to any aspects of the mining boom.
- 32.11 The Buller District community has made substantial investments over the past decade in upgrading community infrastructure, aimed at creating attractive social and economic conditions. These investments have been funded

out of a mix of rates, District debt and corporate sponsorships.

32.12 A range of sporting and cultural groups in the District have experienced increased levels of interest and participation associated with the influx of new families during the past few years. The advent of new facilities in Westport, in the form of the Solid Energy Centre and the NBS Theatre, which have been part funded by corporate financial contributions, have also been instrumental in the resurgence of some of these groups' activities.

SALIENT FEATURES OF BCL'S ESCARPMENT MINE PROJECT

- 33 As I have stated already (at paragraphs 14 and 16), the most salient features of the project, within the scope of this current social impact assessment, relate to the number of new jobs intended for the District. In the first instance, these will be jobs created by BCL and its lead contractor for mining and coal handling operations (for the purposes of my evidence I have estimated these at 225), as well as new jobs created at the re-developed port (estimated at 8⁶). These jobs will not all be created instantly, nor all at the same time. I have been told by BCL that the company intends to recruit a resident workforce, because this is viewed as providing the basis for a more stable, efficient and productive workforce than one with a significant proportion of DIDO or FIFO workers.
- 34 The expected breakdown of the workforce of 225 as I have used in my evidence is -
- 34.1 3 units of workforce @50 people/unit operating the open-cut mining in a shift-work pattern; and
- 34.2 75 other employees covering wash plant, slurry and coal handling facility and Westport office, of whom 50% will work normal office hours and 50% will work shifts on the various sections of plant.
- 35 In terms of expected timing, if the Project consents are confirmed, BCL expects the first two units of mining workforce (100) to be phased in during years 1-2, with the third unit arriving in Year 3. Thus the main complement of 3 units is expected to be recruited over a three-year period. In addition to its mining operations, if consents are approved, BCL will also invest \$30 million in re-developing the port infrastructure at Westport to handle the major portion of its coal export tonnages. While BCL will fund the re-

⁶Subsequently incorporated within the total for indirect and induced jobs.

development in two phases⁷, the Westport Port Company will run the associated coal-handling facility and stevedoring activities. Phase 1 will result in 2 FTE jobs while Phase 2 will create an additional 6 FTE jobs.

- 36 I have more recently been advised by BCL that the final configuration may differ somewhat (e.g. 4 units of approximately 37-38 people/unit) and that the overall number of workers may be larger rather than smaller than the figure of 225. I have nevertheless based my assessment on the figure of 225 and 3 units. The differences are not material to my conclusions.

FINDINGS ON SOCIAL EFFECTS AND ISSUES

Overview

- 37 The primary driver of the social effects which I have addressed in my assessment is the creation of jobs in BCL's mining, coal handling, exporting and administrative support activities. A critical determinant of the nature and extent of flow-on social effects is the extent to which this workforce becomes resident in Buller District, in which case the workers bring their household dependents with them to live in the District and participate in community life.
- 38 I will discuss the findings on likely social effects under the following headings, relating these to the elements underpinning social well being that I described in paragraph 24 above -
- 38.1 additional jobs;
 - 38.2 increase in resident population;
 - 38.3 increased demand for housing;
 - 38.4 demand and support for health services;
 - 38.5 demand for educational services;
 - 38.6 demand for other social services;
 - 38.7 demand for general goods and services;

⁷Phase 1 is a new covered storage facility at the port, while Phase 2 (expected to be built in years 5-7) will create a fully automated conveying and load-out facility, with the covered storage remaining, but a single unified conveyor system into the storage, and ship loading facility capable of servicing vessels in the Basin and in the river. Pers.Comm. Trish Casey, CEO Buller Holdings, Westport Port Co. 15 February 2012.

38.8 contributions to existing groups and organisations in the District;

38.9 BCL involvements; and

38.10 alignment with District aspirations.

Additional jobs

39 New jobs add to a community's social wellbeing by providing the livelihoods and financial support for the households associated with each employee, and by helping to keep unemployment levels in the District relatively low. At its peak of operation, BCL's Escarpment Mine proposal will create a minimum of 225 additional jobs directly by the company and its lead contractor. This is equivalent to an approximately 20% increase in the District's mining-sector workforce and approximately 5% increase in overall District employment levels.

40 These social benefits will accrue in the communities where the workers live, and therefore within Buller District to the extent that the new employees come to live in the District. BCL has indicated to me that the company's intention is to recruit a resident workforce, which I take to mean a workforce that is to a very high degree resident in the District.

41 At the present time, BCL has had a presence in the District for about twelve months during which time it has recruited 21 staff in relation, mainly, to the Escarpment Mine Project. BCL also currently owns and operates the Cascade Mine on the Denniston Plateau, and this operation employs a further 28 staff.

42 At my request, BCL carried out a voluntary survey⁸ of all its staff, which established inter alia that 97% of current staff live in Buller District, although only 38% lived in Buller prior to working for BCL. I note that **Mr Butcher** has assumed for the purposes of his economic assessment a figure of 85% of BCL staff ultimately resident in Buller, with the remainder resident elsewhere on the West Coast. I have not been able to obtain up-to-date data⁹ on the extent to which the District's existing mining-sector workforce is resident, although numerous anecdotal observations suggesting significant non-resident numbers were made during the course of interviews for this assessment.

43 As **Mr Butcher** has explained, BCL's and its contractor's activities create demands for inputs of goods and services from other

⁸The voluntary survey had a 60% response rate.

⁹Payroll data from Solid Energy in August 2010 indicated 80% of its mining and Westport office staff lived in Buller District at that time. Email from BDC CEO, received 17 March 2011.

companies, either in the District or elsewhere, and this leads to the creation of other new jobs in those companies¹⁰, described by **Mr Butcher** as "indirect"¹¹. **Mr Butcher** also describes the "induced" employment creation effects which result from BCL's and its contractor's employees spending their income in the District to purchase the goods and services necessary for the day-to-day living of their households. Thus, the full extent of expected increase in District employment once the Escarpment Mine Project is operating at capacity encompasses an additional 225 direct jobs as well as an additional 193 indirect and induced jobs.

- 44 I will make one final observation about the additional jobs created directly by BCL and its lead contractor, with regard to income levels associated with these jobs. **Mr Butcher** points out¹² that "*Average salaries at the mine will be in excess of \$100,000 / year and are extremely high by New Zealand standards...*". Thus a majority of the new jobs will provide higher than average livelihoods and financial support for the households associated with each employee, and this has implications for other social effects such as housing demand and health status, which I will comment further on in due course.

Increase in resident population

- 45 Expected increases in the District's resident population depend on assumptions made about how many of the new workers become resident, and the number of their dependents (partners and children) who also take up residence in the District as part of their households.
- 46 Regarding worker residency, I have already explained BCL's stated intentions ("a resident workforce") and its current situation (97% resident in April 2012). I have further noted **Mr Butcher's** assumption (85% resident) and the historical data from Solid Energy (80% resident in August 2010).
- 47 Regarding the number of dependents, I have drawn on data from the 2006 census, which shows the percentage of partnered adults in Buller District as 60% (compared with 57% for New Zealand) and the average number of household members in Buller District as 2.3 (compared with 2.7 for New Zealand). BCL's recent staff survey revealed that 62% of its current employees are partnered, while their average household has 2.5 members.

¹⁰The additional 8 jobs created at Port Westport as a result of BCL's investment in upgrading the port facilities will be included in the total of indirect jobs.

¹¹Statement of **Mr Geoff Butcher** in Appendix II at section A II 7 - Definitions.

¹²At paragraph 20 of his evidence.

48 I have made estimates of the additional numbers of residents assuming either 100% or 85% worker residency. These estimates of expected population increase (see **Table 1**) take into account the expected direct, indirect and induced new jobs created, as discussed in paragraph 40 above.

Table 1: Estimates of additional residents in Buller District, resulting from BCL's Escarpment Mine Project at full development

	<i>Direct employment only</i>		<i>Total Direct, Indirect & Induced employment</i>	
	100%	85%	100%	85%
% workers resident	100%	85%	100%	85%
# workers resident	225	191	418	355
# partners @60%	135	115	251	213
# children (for 2.3 Hhld size)	149	126	276	234
# new residents	509	432	945	803
% incr. District UR Population	5%	4%	9%	8%

49 Based on the June 2011 estimate of Westport's population¹³, if the new arrivals were to concentrate in and around Westport itself, the increase in population would constitute between 15% and 18% of the target increase expressed in the District's Vision 2050, the most recent description of long-term District strategy.

50 Encouraging a fully residential workforce has the potential to yield a variety of social benefits. First, it contributes to the wellbeing of workers and their families, by avoiding the stresses of split households, and enabling workers and their families to enjoy a more normal social life and social relations. This assessment has revealed considerable evidence¹⁴ of this among recent new arrivals into the District's mining-sector workforce. As recent Australian research has concluded¹⁵, living locally contributes ultimately to a more settled, stable and productive workforce. Secondly, an expanded resident workforce contributes to community wellbeing by expanding the rating base on which community services and infrastructure are supported - in this case increasing the number of

¹³Refer Table 1 in Appendix 3 to this statement of evidence.

¹⁴Refer sections C7 and C11 in Appendix 3 to this statement of evidence.

¹⁵Refer section C5 in Appendix 3 to this statement of evidence.

residential ratepayers by between 8% and 9%, as well as contributing in other ways about which I elaborate below.

- 51 In my opinion, there is a strong case for BCL to maximise the level of residency of its workforce, bearing in mind that the increases quantified above are likely to occur progressively over several years.

Increasing demand for housing

- 52 Assuming the high proportions of worker residency I have described above, the demand for housing is generally proportional to the number of new jobs. Even if BCL recruits some people who are already working in the District's mining sector (e.g. for Solid Energy or its contractors), those people will in turn have to be replaced.
- 53 At the present time, District housing is virtually at capacity and becoming increasingly unaffordable for some. I have described in some detail in section C6 of Appendix 3 the challenges facing new arrivals seeking accommodation of any kind in Buller District at the present time. This reinforces the proposition that the responsibility for impacts on the housing market does not lie exclusively with BCL.
- 54 The BCL staff survey referred to previously indicates that, at the present time, 59% of its employees own their own home in the District, 24% are renting homes, 7% are flatting with others, while the remaining 10% are either boarding, living with parents in the family home, or living in a mobile home. In 62% of cases, these living arrangements meet all or most of their needs, while for the remainder the living arrangements "*will do for now*" or "*were the only available*".
- 55 Whether or not this situation continues, improves, or deteriorates in the years ahead depends on the level of new demand relative to new housing supply. A decade ago (2002) fewer than 40 residential building consents were applied for each year. In the year to December 2011, 80 residential building consents were applied for.
- 56 If it is assumed that the direct and indirect jobs will establish over a 2-3 year time frame, as described in paragraph 32 above. It is likely that the induced jobs might lag slightly behind in time, reflecting the fact that they are a response to the increased level of consumer spending in the District economy by newly-arrived workforce.
- 57 The numbers estimated for resident workers (line 2 of **Table 1** above) provide an order of magnitude for future housing demand resulting from the Escarpment Mine Project. Even assuming that some of the indirect and induced jobs might be taken by partners of workers employed by BCL or its lead contractor, these estimates suggest that the housing market in Buller District will continue to be

constrained for several years to come, leading to a variety of social effects, some adverse and some beneficial, affecting different groups of people.

- 58 First, it is likely that residential rents and property values will continue to rise. On the one hand, this brings financial benefits to existing owners of residential property from property-related capital gains and rental income. On the other hand, these rising costs will offset some of the advantages of higher wages in the mining sector, and lead to the further displacement of the District's low-income households - to cheaper and generally poorer quality housing in Westport, to cheaper places in Buller District, or to cheaper places elsewhere in New Zealand. Other flow-on social effects from the pressure on housing were described during the assessment interviews, and include young adults unable to leave the family household and set up independently, dysfunctional households staying together longer than they should because no alternative accommodation exists, and elderly or unwell people living in unsatisfactorily cold and damp dwellings.
- 59 Secondly, it is possible that an absolute shortage of housing could for a while become a barrier to recruiting residential employees, compelling higher levels of FIFO or DIDO workers than would otherwise be the case, and thereby slowing the flow of other social benefits to the District, as discussed in the following sections of my evidence.
- 60 Thirdly, if BCL's consents are confirmed, the prospect of imminent demand for housing will create opportunities in the residential construction sector, which cumulatively will result in long-term improvement to the District's housing stock.

Demand and support for health services

- 61 As discussed in some detail in section C8 of **Appendix 3**, primary health services in Buller District are at the limit of their capacity. It is against this background that the potential effects of the influx of new workers and their families must be assessed.
- 62 In general, demand for services would be expected to be proportional to the increase in resident population. However, this factor will be moderated by the fact that higher-income households tend to have better health status¹⁶ and therefore make fewer demands on the health services.
- 63 With population-based funding for primary health services, an increase in funding for Buller Health could be expected, proportional

¹⁶Judge K and Paterson I. 2001. Poverty, Income Inequality and Health. Treasury Working Paper 01/29.

to the increase in residents who register with a local provider. This creates the potential to increase local service levels for all residents. An important assumption in this respect is that BCL and its contractors provide their own on-site medical and emergency services, in a manner similar to Solid Energy's operations at Stockton, to minimise adding work-related demands to the local health services. While DIDO or FIFO workers will be able to access health services away from their usual place of residence, on a user-pays basis, this is not always straightforward from a medical practice perspective¹⁷.

- 64 Overall, the effects for health service provision are expected to be positive, so long as workers register as residents on their arrival in the District. In the long term, another potential health benefit will derive from the improvement in condition of the overall housing stock, referred to in paragraph 54 above.

Demand for educational services

- 65 The increased demand for educational services will be proportional to the increase in age cohorts associated with the additional resident population, which I have estimated, based on age data for Buller District in the 2006 census. These estimates are summarised in Table 2.

Table 2: Estimates of additional children resident in Buller District, resulting from BCL's Escarpment Mine Project at full development

	<i>Direct employment only</i>		<i>Total Direct, Indirect & Induced employment</i>	
% workers resident	100%	85%	100%	85%
# workers resident	225	191	418	355
# children (for 2.3 Hhld size)	149	126	276	234
# pre-school children	45	38	83	70
# primary school children	65	56	121	103
# secondary school children	39	33	72	61

- 66 Primary and secondary schools in Westport have existing spare capacity, as detailed in section C7 of **Appendix 3**. Increased

¹⁷Refer to section C8 for further discussion.

student numbers will attract increased funding, leading to more teachers and the potential to expand and diversify school capabilities.

- 67 In contrast, pre-school services in the District currently have insufficient capacity and this is resulting in long waiting lists. Expansion of Westport Kindergarten's capacity, currently underway, will not eliminate the existing deficit, meaning that the arrival of more pre-schoolers will add to existing waiting lists. This might deter some worker families from moving to Westport. However, if BCL's consents are confirmed, the prospect of imminent demand for more pre-school services will create opportunities for private-sector provision.

Demand for other social services

- 68 The level of demand depends on the nature of the service. One service of particular relevance to new arrivals in the District is the New Coasters Settling-In service (refer to section C9 of Appendix 3 for details). Demand will be proportional to new job numbers over the first 3 years, and thereafter proportional to the level of workforce turnover in the industry at large. It is therefore likely that New Coasters may need additional resources over the next 3 years in order to meet this pulse in demand.
- 69 For other social services, demand is likely to be proportional to the total residential population, which, as noted in paragraph 42, Table 1 above, is expected to increase by between 8% and 9% over the 2 to 3 years following the commencement of mining. Interviews for this assessment have found no indications so far that the rapid increase in mining-sector employees in the District, including the proportion of DIDO or FIFO workers, is resulting in adverse social effects, apart from those already discussed in relation to housing demand.

Demand for general goods and services

- 70 The arrival of between 350 and 400 new resident households will result in a proportional increase¹⁸ in the total household spend on goods and services in the District. This has the potential to improve the financial viability of local businesses, and thereby sustain or even enhance choice in retail goods and services in the District. One measure of the scale of this benefit is the number of additional "induced" jobs in the District economy, which **Mr Butcher** has estimated¹⁹ at 25% of the total "indirect" and "induced" jobs - some 48 new jobs.

¹⁸Estimated at between 8% and 9%.

¹⁹Pers.Comm. **Mr Geoff Butcher**. 10 May 2012.

Workforce contributions to existing groups and organisations in the District

- 71 Various interviews for this assessment revealed contributions to a broad range of existing groups and organisations within the District made by new arrivals - schools, service agencies, sports and cultural groups.
- 72 Whilst it is acknowledged that shiftwork is not always conducive to workers participating in out-of-work social and cultural activities, workers' partners and children have been found to contribute at increasing levels in recent years. I have summarised some examples in Table 8 in **Appendix 3**.
- 73 An expanding population base helps to sustain these community organisations and the social capital associated with them. The groups benefit from the skills, enthusiasm and energy of new members.

BCL involvements in the community

- 74 It is not unusual for businesses to support their local communities in a variety of ways, including sponsorships, scholarships, contributions to funds for particular activities or events, or capital investment in community infrastructure. These can be considered contributions to the social capital of the community. I have given some examples of this in the Buller District in sections C7 and C10 of **Appendix 3**.
- 75 BCL has had a presence in the District for little over a year. Furthermore, without any certainty for its major project, although with a base-line of mining activity in the form of the Cascade Mine, it cannot be expected to have initiated substantial community investments at this stage. Nevertheless, BCL has over the past 12 months committed to a number of annual sponsorships. These include an annual scholarship in science at Buller High School, support for the Westport Early Learning Centre, as well as support for a variety of social and sports and recreation groups and their events. These include Heart Kids Day Out, Autism Westport and Friends of the Hill, as well as the Denniston Hill Climb, Denniston Chain Grinder, Buller Marathon, Gowan Mountain Bike Classic and Buller Rugby.

Alignment with District aspirations

- 76 In section C3 of **Appendix 3**, I identify a number of outcome aspirations in the most recent Buller District Long Term Council Community Plan. These include
- 76.1 an increased awareness of and participation in cultural, social, recreational and community activities;

- 76.2 the promotion of Buller, its history and environment;
 - 76.3 an environment that supports the retention of current businesses and attracts new business and investment to the region;
 - 76.4 providing support for attracting and developing an available skilled workforce; and
 - 76.5 an appropriate balance between development and protection.
- 77 With these outcomes in mind, the Buller District's potential interests in the Escarpment Mine proposal relate largely to -
- 77.1 the attraction of substantial new investment in infrastructure, particularly in the form of the re-development of the Port, which will benefit other users besides BCL;
 - 77.2 the attraction of new businesses and a skilled workforce to take up residence in the District;
 - 77.3 the continuation of the District's historic and contemporary association with mining on the Denniston Plateau;
 - 77.4 the support for cultural, social, recreational and community activities through the increasing levels of participation by new arrivals in the District; and
 - 77.5 a balancing of development and protection.
- 78 My assessment interviewees across a range of community interests in Buller generally acknowledged that BCL's proposal demonstrates private-sector support for these publicly agreed community objectives and outcomes.

Summary and comparison of scenarios

- 79 The social effects which I have summarised in the preceding section of my statement demonstrate how BCL's proposal has the potential to affect a range of factors which influence social, cultural and economic wellbeing in the District community.
- 80 To the extent that BCL is unable to achieve a totally resident workforce, the distribution of some social effects will differ. For example, it may have little bearing on the total number of jobs created and therefore on the total number of households able to enjoy a secure livelihood somewhere in New Zealand, but it will affect where they spend their household income and which communities they contribute to in other ways. Whether a worker lives in the District permanently or not will make little difference to

the additional demand for housing, since DIDO/FIFO workers need accommodation while they are on shift. However, those social benefits which are proportional to the level of resident population will be reduced proportional to the DIDO %.

- 81 I will now make a summary comparison between the two scenarios I described in paragraph 13 of this statement - (1) the BCL Single Project Scenario and (2) the BCL Continuation Scenario.
- 82 In simple terms, the longer the term over which BCL's intended operations continue, the more sustained the increment in social benefits for the District. However, I shall now address the question of whether or not the social benefits simply disappear altogether if BCL's activities come to an end after the Escarpment Mine Project is completed, if BCL and its contractors were to engage in no further mining activities in the District.
- 83 If I treat the above assessment findings as referring to the BCL Continuation Scenario and assume the social benefits continue indefinitely at the same level in that scenario, then I will describe the social effects of the BCL Single Project scenario in a comparative sense - in the following table.

Table 3: Comparison of expected social effects under alternative scenarios

<i>Aspect of comparison</i>	<i>BCL Continuation scenario</i>	<i>BCL Single Project scenario</i>
Total jobs created	225 direct; 193 indirect and induced - on-going	225 direct; 193 indirect and induced - but for limited duration
Resident population	At 100% residency - 9% increase in UR population (relative to 2011) - on-going. At 85% residency - 8% increase in UR population (relative to 2011) - on-going.	Similar increases during the project. Increased District housing capacity after BCL's project enables higher residency amongst wider mining-sector workforce ²⁰ , resulting in longer-term residual increase in UR population of up to 5%

²⁰Even without BCL's potentially on-going activities, Solid Energy is expected to continue its mining operations at Stockton until 2028 and the Cypress Mine, which has a nominal life of 10 years, is yet to begin operations.
<http://www.coalnz.com/index.cfm/1,203,0,0/Stockton.html>. Accessed 14 May 2012.

Aspect of comparison	BCL Continuation scenario	BCL Single Project scenario
Housing availability and affordability	The supply-demand balance in the District's housing sector likely to remain tight for at least 2-3 years. Approximately 8%-9% growth in supply of new dwellings during next 5 years in response to demand pressures.	District's housing stock will have increased and improved with the additional houses built in response to the project demand. Less pressure on rents and house prices when BCL departs, resulting in improved availability and affordability.
Health services	District's health funding increases in proportion to permanent residents registered with local medical practices - up to 8%-9% increase. Household demand for health services reduced by influx of relatively high-income households, living in higher-quality new dwellings.	District's health funding will continue above 2011 levels due to residual increase in UR population (up to 5%). Healthier housing stock remains in the District.
Educational services	Central government educational expenditure per child follows the child. Increase in demand for primary schooling (100-120) and secondary schooling (60-70) can be accommodated in the District's existing schools. Increased funding will allow for more teachers and diversified capabilities. Pre-school services likely to be stretched (increased waiting lists) until additional private-sector services provided.	District's educational funding will continue above 2011 levels due to residual increase in UR population (up to 5%). Pre-schooler waiting lists likely to disappear post project.
Other social services	A pulse in demand for settling-in services over the first 2-3 years, stabilising at rates related to workforce turnover. Demand for other social services proportional to UR population.	Demand for settling-in services declines to reduced plateau, determined by the level of overall District workforce turnover. Demand for other social services proportional to UR population.
Access to general goods and services	Substantial investment (\$30m) in new port infrastructure for use by BCL and others Sustained and enhanced choice in businesses available in the District; 48 induced jobs.	Upgraded port infrastructure remains for use by others. Some induced jobs remain, proportional to the longer-term residual increase in the UR population.

Aspect of comparison	BCL Continuation scenario	BCL Single Project scenario
BCL contributions to community organisations	Financial support for a science scholarship, support for other health and well being-related organisations, and sports and recreation groups and their events	These contributions will disappear at the end of the BCL Single Project

84 In summary, if I assume that BCL's involvement in the District is limited to the Escarpment Mine project alone, the District will experience the range of social benefits that I have described previously for that finite period of time, as well as a level of legacy benefits that will continue even after BCL's presence comes to an end. These legacy benefits are associated with improvements in the quantum and quality of the District's housing stock, the continued availability of the upgraded port facilities, and the likely residual increase in the District's usually resident population, as I have described.

MITIGATION AND ENHANCEMENT OF SOCIAL EFFECTS - A SOCIAL IMPACT MANAGEMENT PLAN

- 85 The concept of mitigating adverse effects needs little explanation. Mitigation initiatives serve to reduce the likelihood and/or the extent of adverse social effects to levels considered acceptable for the potentially affected parties.
- 86 Potentially positive social effects are similarly characterised by likelihood and extent. In cases where a potentially positive effect carries a degree of uncertainty, it may be worth considering enhancement initiatives which serve to increase the likelihood and/or the extent of the positive outcome. Examples of such initiatives to enhance positive social effects would include positive measures to facilitate residency amongst the company's workforce, contracting with the new Settlers agency to provide community orientation services for new arrivals, advance notice to Buller Health and the Buller District schools Network to facilitate planning for increased demand, initiating apprenticeships with Buller High school leavers, and so on.
- 87 I have advised BCL that contemporary good practice in Social Impact Assessment promotes the use of Social Impact Management Plans. In New Zealand's RMA setting, the adoption of a Social Impact Management Plan (SIMP) is a relatively recent innovation. However, in my view, it encapsulates a new level of commitment by a project proponent and in this case demonstrates BCL's leadership

in the industry and amongst the members of the region's corporate community. The development and implementation of a Social Impact Management Plan is integral to establishing and maintaining a social licence to operate. I understand that BCL has agreed to a condition requiring the development and implementation of such a Social Impact Management Plan. To this end I have prepared a Draft SIMP and appended this as Appendix 4 to my evidence.

- 88 An important component of any SIMP will be a commitment to monitoring as the basis for informing actions and responses, whether the responses are for BCL or other parties to make. For example, monitoring the recruitment of new workers, their intentions regarding place of residence, and the numbers of associated dependents will provide information that is useful for New Coasters, for schools and pre-schools, and for the District's health services. In the latter case, it will be essential that BCL signal well in advance the likely scale and timing of incoming workforce numbers, so that Buller Health can develop appropriate strategies and access the necessary funding from the Ministry of Health in a timely manner. These discussions with BCL will need to canvass likely demands for routine health requirements such as worker medicals, immigration medicals, drivers medicals, etc., so that the Board can purchase in the clinical skills needed for these planned and routine aspects of work.
- 89 Such monitoring will also provide useful information for BCL's own mitigation initiatives, such as (for example) negotiating contracts for Settling In services or contracts with Buller Health to provide services for DIDO or FIFO workers. Monitoring the availability of rental accommodation and houses to buy in the Westport housing market will be essential to evaluating the adequacy of any measures that BCL adopts in order to incentivise worker residency, as is the company's stated intention²¹.
- 90 In my opinion, it would also be appropriate for BCL, and other mining sector companies, to consider contributing to any community initiative²² aimed at alleviating the social effects of the housing shortage and high rentals on low-income households, occasioned by the current mining boom. Such mitigation could include providing resources or sponsorships for social agencies such as Homebuilders or Women's refuge.

²¹For example, I have been told by BCL management that amongst the measures being considered to incentivise residency amongst its workforce, the company will pay the first three months' rent, while the company also currently has two properties which can be used to house staff for short periods until they find their own accommodation.

²²For example, the current initiative by the Buller Housing Group involving Homebuilders, Budget Advisory Service, the Mayor; Victory Community Health from Nelson. Pers.Comm. Homebuilders, 5 April 2012.

CONCLUSIONS

- 91 My assessment engaged with a number of people in the District community who represent those who could be at risk, as well as those who stand to benefit from the flow-on effects of the increase in the District's mining activity represented by the Escarpment Mine proposal. Collectively they expressed a consensus view that the social risks should be managed and should not be viewed as an impediment to the project; that the considerable long-term social benefits identified substantially outweigh any short-term social costs, which can and should be mitigated.
- 92 Even if the BCL Single Project scenario is assumed, the potential for significant net social benefits over the next 5-6 years and beyond is likely.
- 93 I therefore conclude that the Escarpment Mine proposal substantially enables the communities of northern Buller District to provide for their social well being, and in doing so the proposal is consistent with the purposes of the Resource Management Act.

Dated: June 2012

James Talbot Baines

APPENDICES

Appendix 1: The role of Social Impact Assessment (SIA)

Appendix 2: SIA-specific consultation activities

Appendix 3: Description of the existing social environment

APPENDIX 1: THE ROLE OF SOCIAL IMPACT ASSESSMENT (SIA)

- A1 The role of social impact assessment (SIA) in RMA proceedings is influenced both by the express purpose of the Act itself and its related definitions, and by the principles of SIA practice.

The purpose of the Act and related definitions

- A2 s5 of the RMA expresses the purpose of the Act, with explicit mention of the concept of "social wellbeing" and explicit reference to "people and communities", "effects" and "environment" -

"(2) In this Act, "sustainable management" means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural wellbeing and for their health and safety while -

(a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and

(b) safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and

(c) avoiding, remedying, or mitigating any adverse effects of activities on the environment."

- A3 s2 of the Act defines "environment" to include -

"(a) ecosystems and their constituent parts, including people and communities; and

(b) all natural and physical resources; and

(c) amenity values; and

(d) the social, economic, aesthetic, and cultural conditions which affect the matters stated in paragraphs (a) to (c) of this definition or which are affected by those matters."

- A4 s3 of the Act defines the meaning of "effect", unless the context otherwise requires, to include -

"(a) any positive or adverse effect; and

(b) any temporary or permanent effects; and

(c) any past, present, or future effect: and

(d) any cumulative effect which arises over time or in combination with other effects regardless of the scale, intensity, duration, or frequency of the effect, and also includes –

(e) any potential effect of high probability; and

(f) any potential effect of low probability which has a high potential impact.”

A5 Frequently, in my experience, there is an incorrect inference that ‘impact assessment’ implies a focus only on adverse effects. As noted in s3 above, this is indeed incorrect. My evidence addresses both positive and adverse social effects.

The practice of social impact assessment

A6 The principles of SIA practice require community involvement in the assessment process, which I summarised earlier in this statement of evidence. Such community involvement is useful both to understanding the nature of the community or communities being affected, and to making professional judgements about the social consequences of the proposal. Community involvement is also important for validating the findings of the SIA and subsequently for monitoring change and participating in adaptive management decisions.

APPENDIX 2: SIA-SPECIFIC CONSULTATION ACTIVITIES

Scoping phase

Tuesday 14 February 2012

Buller District Council - Paul Wylie, CEO
 Buller District Council - Rachel Townrow, Policy planner
 Buller Real Estate - Charlie Elley, consultant
 Fairdown-Whareatea Residents Association - 4 members present

Wednesday 15 February 2012

NZ Police - Sgt Steve Baddock, Officer In Charge, Westport
 New Coasters - Liz Sugrue, Settling In Co-ordinator
 Buller Holdings Ltd - Trish Casey, CEO
 Westport Kindergarten Association - Trish Casey, Chair
 Landmark Real Estate - Graham Walsh, consultant
 Motel owner - Roger Elvins, Chelsea Gateway Motor Lodge

Main Assessment phase

Tuesday 13 March 2012

Buller Health - Jenny Robertson, Manager

Thursday 15 March 2012

Ministry of Education - Jenny Keetley, ECE

Wednesday 28 March 2012

Westport Holiday Park - Roger Montgomery, owner
 Buller High School - Andrew Basher, principal
 New Coasters - Liz Sugrue and Cate Barry, Settling In Coordinators
 Buller Real Estate - Charlie Elley, consultant; Janis Lennon, property manager
 Buller Coal Ltd - Marianne Rogers (General Manager) and Richard Tacon (Chief Operating Officer)

Thursday 29 March 2012

Solid Energy Centre - Glenn Irving, General Manager; Pat Dudley, swim-school coordinator
 Budget Advisory Service - Nel van Greevenbroek, manager
 Hotel administrator - Lauren Corbett, McManus Hotel
 OSCAR, Music & Movement, Brain Gym - Kathy Moynihan, coordinator
 Buller Rugby Union - Brian Ahern, Chair; Andrew Duncan, Development Officer
 Buller District Council - Rachel Townrow, Policy Planner
 NZ Police - Paul Samson, Community Constable
 Carters Beach Holiday Park - Bruce Walsh, owner

Friday 30 March 2012

Landmark Real Estate - Graham Walsh, consultant
 Buller Hockey - Richard Knudson
 Westport South School - Jo Duston, principal

Women's Refuge - Heather Salter, manager
St Canice's School - Dan Moloney, principal
Westport North School - Sharon Marsh, principal
Drug & Alcohol Counselling Service - Marian Scanlan, counsellor

April 2012

Air Training Corp - Nigel Keenan
Homebuilders - Lorraine Scanlan
Housing NZ Corporation, Greymouth - Jan Menzies
Tai Poutini Polytechnic - Marja Kneepkens
School of Dance - Beryl Collins
Buller Basketball - Hugh McMillan

APPENDIX 3: DESCRIPTION OF THE EXISTING SOCIAL ENVIRONMENT

C1 Study Area

The primary focus for the social impact assessment of the coal mining and coal transportation activities currently proposed by Buller Coal Limited (BCL) has been Westport and its environs – i.e. that part of the Buller District between the Buller Gorge in the south and the Mokihinui River in the north.

The mining activity associated with the Escarpment Mine Project will occur on the Denniston Plateau. The coal will then be transported to the port in Westport for barging to New Plymouth.

Because employment related to the BCL project has been a significant consideration in this assessment, the study area has included the local labour market area, typically taken to encompass distances covered within an hour's commuting drive of the workplace.

C2 The Buller District setting

Buller District is one of the more isolated districts in the country, as evidenced by distance from other centres and a limited range of transportation connections and services. Combined with the distinctly episodic history of economic development in the District, based on waves of mineral extraction and primary production, the district has for many years faced major challenges to maintain sustainable social and economic development – i.e. how to grow the resident population and rating base on which to sustain public infrastructure, civic and rural amenities and a positive sense of District identity.

As described in the following sections, the Buller District is presently experiencing something of a socio-economic transformation, triggered in large measure by the most recent expansion in mining activity in the Buller coalfields, a phase which began in about 2005 and 2006²³. While this transformation indicates new opportunities for many in the District, there are some for whom it has made life more precarious.

C3 District aspirations and values

Long Term Council Community Plan 2009-2019

The Long Term Council Community Plan 2009-2019 sets out a number of community outcomes, indicative of the values and aspirations of the District Community as a whole. Of particular interest in assessing the social effects of BCL's Escarpment Mine proposal are the outcome statements related to Identity, Economy and Environment²⁴.

²³Statistics NZ Annual Business Frame survey.

²⁴Buller District Council, 2009. Third Long Term Council Community Plan 2009-2019. www.bdc.govt.nz/ltp/ - accessed 13 March 2012.

Relevant outcomes related to District Identity include an increased awareness of and participation in cultural, social, recreational and community activities, the provision of high quality community spaces and facilities, and the promotion of Buller, its history and environment. The Council aims to achieve this by providing and encouraging and supporting other organisations to provide arts, cultural, recreational and social facilities throughout the District, and by the Council provision of appropriate infrastructure to support a vibrant community.

Outcome aspirations for Economy and Environment overlap to the extent that they both describe an expectation of balance between economic development and environmental protection.

Relevant outcomes related to Economy include providing an environment that supports the retention of current businesses and attracts new business and investment to the region, providing support for attracting and developing an available skilled workforce, and support for sustainable, responsible development. The Council aims to achieve this by continuing to develop and advocate for district-wide infrastructure that supports business and tourism growth, and developing a regulatory framework that supports sustainable economic growth without compromising the environment.

Relevant outcomes related to Environment include an appropriate balance between development and protection that promotes the diversity and sustainability of the natural environment, the provision of services and infrastructure that support the district's environmental goals, and a built environment considered to be attractive, sustainable and healthy. The Council aims to achieve this by developing policies and implementing practices that enhance our environmental sustainability and natural diversity, by recognising and preserving the essential elements of the district's landscape that contribute to Buller's unique natural identity, and ensuring that planning processes enable effective public consultation over an appropriate balance between the natural and built environment.

With these outcomes in mind, the Buller District's potential interests in the Escarpment Mine proposal relate largely to -

- the attraction of substantial new investment in infrastructure,
- the attraction of new businesses and a skilled workforce to take up residence in the District,
- the continuation of the District's historic and contemporary association with the mining sector,
- the support for cultural, social, recreational and community activities through the increasing levels of participation by new arrivals in the District, and

- the participation of BCL as a substantial corporate entity in future District initiatives.

Vision 2010 and Vision 2050:

The previous Long Term Council Community Plan included a series of redevelopment projects under the title Buller Vision 2010. As a result, the Buller District community has made substantial recent investments in upgrading community infrastructure, aimed at creating attractive social and economic conditions. Investments have included upgrading Westport's waste water and municipal water supply systems, as well as civic infrastructure such as the new combined aquatic and sports complex, and re-developed theatre and conference facility in Westport, and also upgraded facilities further north in the District such as the new visitor information centre in Ngakawau and an upgrade to the Ngakawau swimming pool. These investments have been funded out of a mix of rates, District debt and corporate sponsorships.

The Buller 2050 project has been created to develop a strategic 50 year plan for the Buller District that outlines a future ideal state and the action plans for achieving that future.²⁵ While the thinking which motivated this initiative acknowledged *"that the extractive industries will not last forever"* and that *"we need to plan now how we will grow and prosper well into the future without these main industries we currently rely on"*, the expectations expressed in the Westport workshop²⁶ appear strongly aligned with the outcomes expressed in the Third Long Term Community Plan, with references to sustainability and environmental protection, the continuation of minerals-based extractive industries as well as the promotion of tourism and outdoor recreational activities, increasing the resident population to improve the affordability of infrastructure and services (but not unlimited growth in population²⁷), improvements to the built environment and community infrastructure, and sustaining the social and cultural values.

C4 Overall population trends

Data are provided for the total usually resident (UR) population and household numbers of the District, as well as for the various age cohorts within the total population.

²⁵Buller District Council, 2010. Buller 2050: Envisioning Our Future. www.bdc.govt.nz/buller-2050-envisioning-our-future/ - accessed 13 March 2012.

²⁶www.bdc.govt.nz/images/stories/Westport_ideas.pdf - accessed 13 March 2012. Note, other workshops were held in Karamea, Reefton and Punakaiki.

²⁷A 2050 target figure of 10,000 residents for Westport is mentioned in several places, approximately double the town's current resident population.

Total population**Table 1: Usually Resident Population - 1996 to 2011**

Area	March 1996	March 2001	June 2006	June 2011
(A) Buller District	10512	9621	9955	10130
(B) Buller Gorge to Mokihinui	7182	6522	6830	7060
(C) Westport	4884	4419	4625	4705
(B) as a % of (A)	68%	68%	69%	70%
(C) as a % of (A)	46%	46%	46%	46%
Index (1996=1.00) - Buller District	1	0.92	0.95	0.96
Index (1996=1.00) - Buller Gorge to Mokihinui	1	0.91	0.95	0.98
Index (1996=1.00) - Westport	1	0.9	0.95	0.96

Sources: 1996 and 2001 data from Census of Population and Dwellings, Statistics NZ 2006 and 2011 data from sub-national estimates and projections, Statistics NZ. 2011 estimates are provided in place of the 2011 census, which was cancelled.

Prior to the millennium, the District's resident population was in decline. This decline was arrested some time before 2006, and since 2006 the resident population of the District is estimated²⁸ to have grown by just under 2% over that period (until June 2011). The proportion of the District's population resident in Westport or close to the Buller coalfields has grown slightly faster during this last period, but has still not returned to 1996 levels. Furthermore, current projections of household numbers by Statistics NZ range between further growth to 4,900 by 2031 ("high" projection), stabilising at 4,500 by 2031 ("medium" projection) and declining to 4,100 by 2031 ("low" projection).

²⁸Estimated by Statistics NZ.

Table 2: Occupied dwellings and household numbers - 1996 to 2031

	March 1996	March 2001	March 2006	June 2006	June 2011	June 2016	June 2021	June 2026	June 2031
	Census data - occupied dwellings			Statistics NZ "medium" projections – households					
Occupied dwellings	4134	4053	4266	4400	4500	4600	4600	4500	4,500
UR Population	10512	9621	9702	9955	10130				
Persons/Occupied dwelling	2.54	2.37	2.27	2.26	2.25				

Sources: as for Table 1

Age cohorts

As noted above, the total resident population of the District has grown slowly and steadily since 2006, by just under 2% overall. However, there is great variability in the rate of growth or decline across the different age cohorts during the period 2006 to 2011.

Table 3: Usually Resident Population by age - Buller District - 2006 to 2011

Age cohort	UR 2006	UR 2011	Trend: 2006-2011	% change: 2006-2011
0-4 years	550	665	Growth	21%
5-9 years	615	560	Decline	-9%
10-14 years	765	570	Decline	-25%
15-19 years	630	610	Decline	-3%
20-24 years	385	510	Growth	32%
25-29 years	410	445	Growth	9%
30-34 years	535	470	Decline	-12%
35-39 years	685	560	Decline	-18%
40-64 years	3810	3890	Growth	2%
65 years and over	1570	1850	Growth	18%

Total UR Population	9955	10130	Growth	2%
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Source: sub-national estimates and projections, Statistics NZ

Table 4: Usually Resident Population by age - Buller Gorge to Mokihinui - 2006 to 2011

Age cohort	UR 2006	UR 2011	Trend: 2006-2011	% change: 2006-2011
0-4 years	390	475	Growth	22%
5-9 years	435	405	Decline	-7%
10-14 years	505	410	Decline	-19%
15-19 years	425	405	Decline	-5%
20-24 years	280	370	Growth	32%
25-29 years	260	330	Growth	27%
30-34 years	355	320	Decline	-10%
35-39 years	460	395	Decline	-14%
40-64 years	2570	2620	Growth	2%
65 years and over	1150	1260	Growth	16%
Total UR Population	6830	6990	Growth	3%

Source: as for Table 3

The patterns displayed in Tables 3 and 4 indicate marked growth of distinct sub-groups within the District's population: young workers in the early years of their working lives; households with infant children (i.e. new families) and retirees. Historically, the District has had comparatively high proportions of older workers (40-64 years) and those of retirement age compared to national averages, but typically lower proportions in all the younger age groups (0-29 years). Thus, the data indicate recent changes in trends in some of the younger age groups.

These official estimates by Statistics NZ are reinforced by consistent anecdotal observations from many of those interviewed for this assessment, referring to a wave of recent arrivals, including many young

adults working in the mining and related sectors, and other young adults returning to the District in which they grew up.

As noted below in the section on education services and other social services, there appear to be some increases in child and pupil numbers which suggest that the official estimates of resident population numbers may be lagging behind reality somewhat.

C5 Employment trends

Employment data have been assembled, corresponding to a similar historical period²⁹ as that covered by the population data presented previously.

Total employment

Between 2001 and 2006, total district employee numbers increased by 300 (i.e. by 9%), from 3,234 to 3,534. Between 2006 and 2011, total district employee numbers increased by 1,200 (i.e. by 34%), from 3,534 to 4,734. It is therefore evident that most of the growth in employment in the past decade has occurred during the period 2006 to 2011. Although total employee numbers in the District increased by 1,200 over this period (2006-2011), those sectors which expanded gained 1,568 new employees, while those which declined lost 368 employees. Over this period, official unemployment data have trended downwards steadily. Unemployed registered in Westport were 194 (Dec 2006), 164 (Dec 2010) and 149 (Dec 2011)³⁰.

Sectoral employment and unemployment

In the period 2006 to 2011, the mining sector contributed the greatest number of new employees - 862 - equivalent to 55% of all new employees in the District in this period. As a result, the mining sector contributed 71% of the overall (net) growth in employee numbers in the District.

²⁹Data for employee counts (2001-2011) are taken from the annual Business Frame surveys carried out by Statistics NZ in February each year. Data for usually resident population are taken from the Census of Population and Dwellings (March 2001 and March 2006) and from the projections made by Statistics NZ (June 2006 to June 2011).

³⁰<http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/2011-sc-benefit-factsheets.html> - accessed 29 February 2012.

Table 5: Employee counts and sector gains and losses - 2006 and 2011

Sector	Employee count 2006	Employee count 2011	Change 2006-2011	Employees Gained	Employees Lost
Mining & Mining Support Services	201	1048	847	862 ³¹	-15
Building & Construction & Related Services	290	487	197	205	-8
Cement & Concrete Manufacture	150	160	10	10	0
Agriculture, Forestry & Fishing	465	496	31	77 ³²	-46
Retailing	417	414	-3	28	-31
Accommodation & Hospitality	530	510	-20	30	-50
Education	230	261	31	31 ³³	0
Health Services	194	250	56	68 ³⁴	-12
Residential Care Services	40	50	10	10	0
Child Care Services	20	35	15	15	0
Sport & Physical Recreation Activities	12	55	43	43	0
Building Cleaning, Pest Control & Gardening Services	35	9	-26	0	-26

While the total district employee numbers increased by 1,200 between 2006 and 2011, the usually resident population increased by 175³⁵. Registered unemployed in the district declined by 45 over the same period. Some employees will have changed jobs and in doing so changed sectors of employment. Over this period, 368 employees left jobs in declining sectors.

³¹Most growth in mining support services (up 725), coal mining (up 90) and metal ore mining (up 47).

³²Most growth in dairying (up 50) and vegetable growing (up 15).

³³Growth was entirely in tertiary, adult and educational support services, not in schools.

³⁴Growth largely in hospital employment (up 60).

³⁵Note that the information on employment trends come from Statistics NZ survey data in February of each year, while the information for resident population is based on Statistics NZ estimates and projections for the corresponding June years, and therefore likely to have different degrees of accuracy or certainty.

Long-distance commuting

Some of the difference between the increase in employee numbers and the increase in resident population is explained by the incidence of long-distance commuting workers (sometimes referred to in the literature as DIDO (Drive-In/Drive-Out) or FIFO (Fly-In/Fly-Out) workers) and contractors who make occasional or periodic short-term visits to the District.

There is much anecdotal and observational evidence that a substantial number of people working in Buller District are not permanent residents of the District. Such evidence includes observations of DIDO workers living in simple, one-person accommodation, colloquially referred to as “dongas”³⁶, as well as DIDO workers occupying spaces or cabins in holiday parks³⁷ or rooms in Westport hotels, and motels becoming increasingly devoted to providing short-term accommodation for contractors. This is similar to recent experience reported from mining communities in the Bowen Basin in Queensland, Australia³⁸.

No accurate estimate of the extent of the DIDO or FIFO workforce in Buller District is currently available. However, the phenomenon of long-distance commuting potentially raises several important economic and social issues. From an economic perspective, long-distance commuting results in a significant proportion of a worker’s income not being spent in Buller District³⁹, to the extent that it would if they lived in the District, although rental receipts contribute to local financial returns. This has the effect of reducing flow-on expenditures through the District economy from this component of the district’s workforce, and diverting such expenditure within their home district.

Social issues arise for the community and for the employees and their families. Although non-resident from a community perspective, non-resident workers nevertheless add to the total demand for housing in the district, putting pressure on the housing market (see further discussion of the Buller housing market below). As noted in recent Australian research⁴⁰

³⁶Such arrangements include sleep-outs and caravans on private property, as well as new single-person quarters built especially for DIDO workers.

³⁷One Westport camping ground has had some DIDO workers resident on a long-term basis over months and even years

³⁸“Many non-resident workers live while on-shift in non-private dwellings such as single persons quarters (SPQs), hotel/motel accommodation, caravan parks and share houses.” Petkova et al. 2009. *Mining Developments and social impacts on communities: Bowen Basin case studies*. In Rural Society, 2009, 19:3, p.214.

³⁹Interviewees described some DIDO workers bringing substantial proportions of their food from out of district and filling up with petrol in Nelson or Murchison where petrol prices are cheaper than in Westport.

⁴⁰Petkova et al. 2009. p.219.

“On the one hand, an increasing proportion of the permanent housing stock was actually taken up by itinerant workers who preferred to enter share housing arrangements than to live in work camps. As rental costs increased, it was correspondingly difficult for anyone not sharing with several others to access such housing. On the other hand, the ability of these towns to generate the critical mass of permanent residents necessary to underwrite human services and other facilities was further undermined, in turn making them less desirable to permanent residents.”

and⁴¹ -

“The impact of mining development on local housing and rental availability and affordability, which has been previously identified as a major issue for towns undergoing rapid socio-demographic change due to the mining boom, provoked a large number of passionate responses.”

Australian research also points to aspects of personal and family stress, resulting from prolonged long-distance commuting⁴². Several interviews in Westport for this assessment, most notably with representatives of social services, local organisations and accommodation providers, recounted similar experiences anecdotally from people already working in the mining sector in Buller or their family members, although none at the extreme end of the spectrum reported in the Australian research.

Long-distance commuting may also have consequences for employers, in terms of higher rates of staff turnover and associated retraining costs leading to reduced efficiency and productivity. As with data about the proportion of DIDO workers in Buller, data on current rates of staff turnover at Buller mines is not publicly available. Australian research based on human resource data and interview data from nine mines in Queensland and Western Australia⁴³ included the following key findings -

- a turnover rate above 20 per cent was regarded as detrimental to the mine’s productivity by most interviewees; turnover at five of the nine participating mines were above this threshold;
- many interviewees thought that FIFO made it more difficult to recruit and retain employees. The issue, as they variously expressed it, was not so much that employees disliked FIFO, rather it wore them out;

⁴¹Carrington and Pereira. 2011. *Social Impact of Mining Survey: Aggregate Results Queensland Communities*. School of Justice, QUT, June 2011. p.27.

⁴²“The routine separation from family, support and informal social controls and sense of belonging to a community can have seriously negative impacts on the wellbeing of non-resident workers and their families - among them family breakdown, alcohol and substance abuse, and at the extreme end suicide, violence, and fatigue related deaths and injuries.” Carrington and Pereira, 2011. p.32.

⁴³Beach and Cliff, 2003. *Turnover and FIFO operations: some facts, opinions and theories*. AusIMM Bulletin, Sept/Oct 2003 (5).

- there is a general consensus of opinion in the industry that FIFO patterns that are too long can be very disruptive to families and individuals, and contribute to a rapid exit from site.

Despite the findings on adverse social impacts across a range of affected parties from long-distance commuting patterns, the Australian surveys nevertheless point towards a recognition of the balance of local and regional benefits from mining development in general⁴⁴ and adverse effects from an itinerant workforce. The extent of the non-resident workforce is considered a critical factor influencing overall social impacts⁴⁵

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"...the majority of respondents (61%) supported new mining projects with an expected non-resident workforce of 25% or less, but most (82%) opposed the development of new mining projects planning to recruit a non-resident workforce in excess of 75%. These results confirm the study hypothesis that the social license to develop new mining projects is strong for projects requiring a 25% or less non-resident workforce, diminishes significantly thereafter and is very weak for projects planning to recruit a non-resident workforce in excess of 75%."

Those interviewed for this assessment almost universally expressed their support for existing and future mining in Buller District, even if they also acknowledged the adverse social impacts attributable to the possible long-distance commuting involved.

C6 Housing

Those involved directly in the real estate sector in Buller District consistently described a major change in the District's housing market over the past 5-6 years, since mining sector activity started to increase. There has been high demand for houses to buy or rent, as shown in the following data on house prices and average weekly house rentals since 2006.

House sales

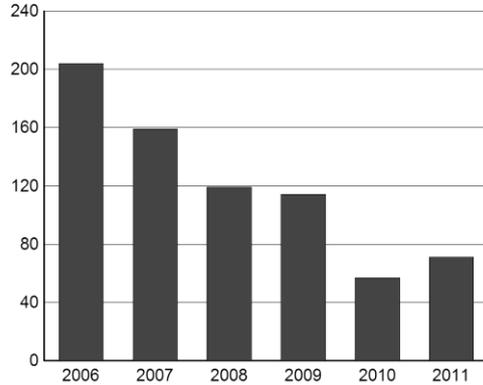
During the last six calendar years (January 2006 to December 2011), the total number of houses sold in Buller District⁴⁶ was 724. Of these, 62% were 3-bedroom houses, 23% were 2-bedroom houses and 13% were 4-bedroom houses. The availability of houses for purchase has been declining since 2006, as shown in Figure 1.

⁴⁴Petkova et al, 2009. p.218.

⁴⁵Carrington and Pereira, 2011. p.5.

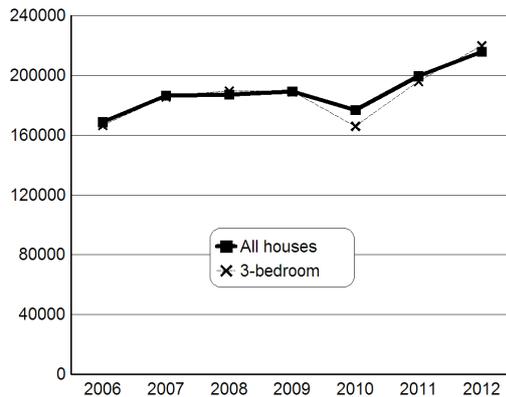
⁴⁶Data from Real Estate Institute of New Zealand, national database. Data for Buller District between Charleston and Mokihinui; i.e. excluding Karamea, Reefton and Punakaiki.

Figure 1: Total house sales in Buller District (defined area) - January 2006 to December 2011



Corresponding average sales prices over the same period, and including the first three months of 2012 are shown in Figure 2. The comparative data for all houses and 3-bedroom houses reinforces the predominance of 3-bedroom houses in the housing market (and housing stock generally) and shows that the sales price trends were similar, if slightly more accentuated for 3-bedroom houses. In the past two years (2010 to 2012) average sales prices have increased by 22% for all houses, but by 33% for 3-bedroom houses.

Figure 2: Average house sales prices in Buller District (defined area) - January 2006 to March 2012

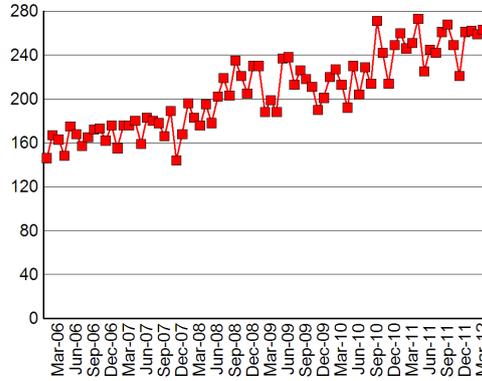


Rental housing

The Department of Building and Housing records⁴⁷ for average weekly rents paid in Buller District over the past six years show persistently rising trends - Figure 3 summarises data for all residential properties while Figure 4 summarises data for 3-bedroom rental properties.

⁴⁷Records provided on a monthly basis from January 2006 to March 2012. OIA Request, March 2012.

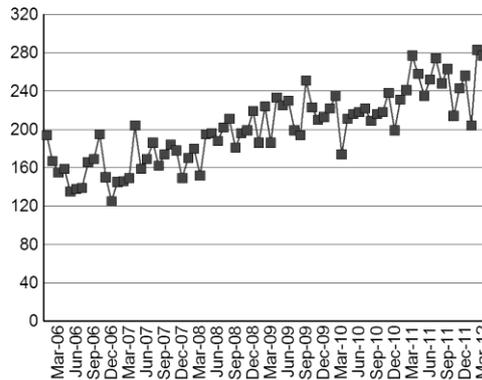
Figure 3: Average weekly rents - all residential rental properties January 2006 to March 2012



These data suggest a steady increase in average weekly rents of about 50% over the past six years - or a 7% increase annually.

Representatives of two major real estate companies operating in Buller District interviewed for this assessment reported relatively few properties for rent⁴⁸ in March 2012, compared with previous years.

Figure 4: Average weekly rents - 3-bedroom houses - January 2006 to March 2012



Household income statistics from previous census show that prior to the recent mining-led economic stimulus to the District economy, and the consequent growth in demand for rental housing, Buller District had a history of high proportions of renting households on the lowest income levels nationally. Indeed, at the 2001 census, Buller District had the

⁴⁸One company had 3 rental properties available at the end of March 2012, compared with 20 properties typically listed two years ago. The other company had 2 rental properties available at the end of March 2012, compared with 10 properties typically listed at any time during the past year.

lowest median household income level for renting households of all territorial local authorities in the country⁴⁹.

A shortage of affordable housing for low-income households in the private-sector housing market turns attention to the capacity available in social housing programmes under the auspices of central and local government. Catering to lower-income households, the Housing New Zealand Corporation (HNZC) has 116 units in Westport and two units in Ngakawau, with this stock of units having been unchanged since before 2006. HNZC records indicate little demand for the Ngakawau units. However, over the last nine months, the Westport units have shown a substantial reduction in the number of relatively transient occupants, resulting in relatively little turnover of tenants. The small waiting list is explained as being due to the fact that people in need of HNZC accommodation know that very few vacancies have occurred in recent months and current tenants are unlikely to be moving on.

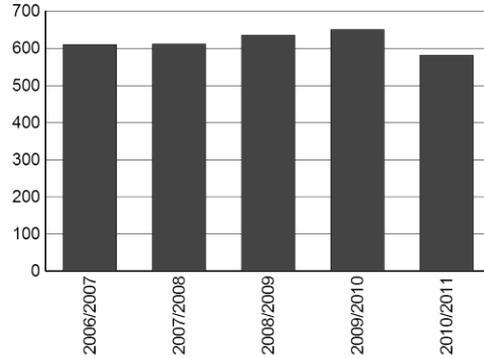
When there are vacancies in HNZC units, they are more affordable than private sector rentals⁵⁰, typically requiring two weeks rent as bond money, compared with four weeks rent for private-sector tenancies. However, in cases where HNZC cannot assist new applicants, the people either have to remain where they are, look for private rental options nearby, or leave the District in the hope of more affordable options elsewhere. Data for trends in the number of Accommodation Supplement payments dispensed by the Westport office of WINZ⁵¹ for the years 2006 to 2011 are presented in Figure 5.

⁴⁹Statistics NZ, 2001 Census of Population and Dwellings.
http://www.stats.govt.nz/browse_for_stats/people_and_communities/Households/housing-profiles-renting/household-income.aspx - accessed 23 February 2012

⁵⁰The majority of HNZC tenants pay subsidised, income-related rents rather than full market rents. Pers.Comm. HNZC West Coast manager, 23 April 2012.

⁵¹Data provided by the Ministry of Social Development; received 12 April 2012.

Figure 6: Trends in Accommodation Supplement payments via the Westport office - 2006 to 2011



These data show a rising trend in the early years of rising rents and housing costs and a sudden fall in the most recent year. This may indicate that a threshold has been reached beyond which accommodation supplements were no longer sufficient to bridge the gap, and that some people may therefore have started to leave the District. Corresponding data for the Greymouth office show no similar decline in 2010/2011.

The Buller District Council has a stock of 44 pensioner housing units⁵². Although the Council struggled to fill these units in the 1990s, they are currently fully occupied, and have been for some time. There is currently a considerable waiting list, which has been increasing in recent years as pressure has increased in the District rental market⁵³. Council policy on future rent rises for housing for the elderly is expected to see automatic rent increases in line with increases in the level of National Superannuation. New units are not scheduled for construction in Westport before 2018/2019 (two), while two new units are scheduled for Karamea in 2012/2013 and two more in 2015/2016.

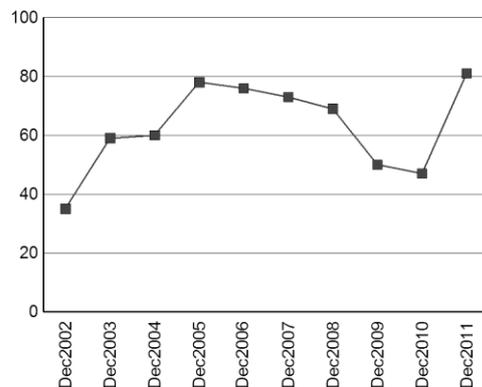
⁵² in Karamea, 16 in Reefton and 26 in Westport. Pers.Comm. Rachel Townrow. 24 April 2012.

⁵³BDC Long Term Plan documents, 2009 to 2012. Pers.Comm. Rachel Townrow. 24 April 2012.

New residential building

Another piece of the housing jigsaw relates to new residential construction activity. Since the beginning of calendar year 2006, fewer than 400 residential units have been added to the housing stock in Buller District. The trend in annual building consents for new residential dwellings is summarised in Figure 6, showing that 2005 and 2006 was a peak in new residential building, until 2011, which registered the highest number of new consents for any year in the past decade.

Figure 6: New residential building consents in Buller District - 2002 to 2011



BDC information reinforces other anecdotal commentary that single person's accommodation has become more evident in the past few years, and town-house developments on smaller land parcels have entered the local residential market.

Summary

The above illustrates the difficulties facing new arrivals seeking accommodation of any kind in Buller District.

On one hand, there are financial benefits to existing owners of residential property, from property-related capital gains or rental income. On the other hand, the current housing shortage in the District is likely to compel higher levels of DIDO/FIFO employment than would otherwise be the case.

At the present time, District housing is virtually at capacity and becoming increasingly unaffordable for some. To some extent, this offsets the advantages of higher wages in the mining sector, particularly when the overall cost of living is relatively high⁵⁴. It is a situation which also results in the displacement of lower-income households - to cheaper and generally poorer quality housing, to cheaper places in Buller District, or to cheaper places elsewhere in NZ. Interviews for this assessment have provided anecdotal information that such displacement is occurring⁵⁵. Other flow-on social effects described include young adults unable to leave the family

⁵⁴In terms of comparable prices for petrol, electricity and other retail goods. For example, in 2010, Buller Electricity customers paid 34c/kWh when Waitaki customers paid 21c/kWh.

⁵⁵For example, families taking their children out of school when they have to leave the District.

household and set up independently, dysfunctional households staying together longer than they should because no alternative accommodation exists, and elderly or unwell people living in unsatisfactorily cold and damp dwellings.

As discussed earlier, this situation also has implications for BCL's 'resident workforce' recruitment policy, depending on the timing of the workforce build-up relative to new dwelling completions in the District.

C7 Education services

Primary and secondary schools:

There are five schools catering to primary and intermediate-age children in northern Buller District⁵⁶, as well as Buller High School in Westport and Karamea Area School in the north. Data from the Ministry of Education on school funding rolls for northern Buller Schools excluding Karamea Area School indicate little change in school enrolments between July 2006 and July 2011, as shown in Table 6.

Table 6: School funding rolls in Northern Buller District, 2006-2011

School	2006	2007	2008	2009	2010	2011	Capacity (2008)
Buller High School	334	338	348	342	350	349	420
All primary schools	751	729	736	729	729	760	1120
All northern Buller schools, excl. Karamea Area School	1085	1067	1084	1071	1079	1109	1540

Source: Ministry of Education

A small increase in primary school rolls (+4%) appears to have occurred between July 2010 and July 2011, resulting in the highest number of primary school enrolments during the period 2006 to 2011. However, more recent discussions with the principals of each Westport Primary school have confirmed an increasing number of out-of-district enrolments, particularly since the beginning of the 2010 school year - summarised in Table 7.

⁵⁶Granity School, St Canice's School, Waimangaroa School, Westport North School and Westport South School

Table 7: Out-of-district (OOD) enrolments at Westport primary schools - 2009 to 2012

Year	OOD arrivals	OOD Departures	Net	Total admissions	Net as % of Total
2009 ⁵⁷	39	21	18	157	11%
2010	53	12	41	147	28%
2011	87	43	44	231	19%
2012 (2 months only)	33	4	29	105	28%

Interviews associated with these primary school data refer to *"a lot of wives starting to feel sick of being left behind when their partners came to work in Buller"* and *"all getting a sense that families are starting to move here to settle"*. One school has had sufficient growth - *"equivalent to one-and-a-half classes have arrived since then"* - to warrant building an extra classroom. Another factor influencing this wave of arrivals has been better prospects for *"jobs in town as well as jobs up the hill"*, with partners more likely to find part-time work in the service industries and trades, although sometimes shift work at the mines can be unhelpful to managing this. Schools are also reporting more parental support for school events *"20 or 30 where there used to be very few, and sometimes none at all"*, and more parental contact with teachers.

The secondary school roll has shown a very gradual increase over the period 2008 to 2011, up by 4%. However, a more radical change is becoming apparent: employment prospects and the general economic environment of the District is seen to be changing for young District residents and school leavers, with the current economic boom. In 2011, for the first time, several companies came to Buller High School to interview and recruit students for apprenticeships, as a result of which six apprenticeships were started. The school has also taken students to Stockton, Oceania and Holcim to show them about work prospects. The more positive outlook is reflected in more students staying on for Yrs 13 and 14, where student numbers in 2012 are 18% higher than they were in 2011⁵⁸. A number of scholarships are currently offered to students by several companies as well as by the RSA.

Notwithstanding the recent roll increases, since the last reported July funding rolls were produced, there remains considerable spare capacity in

⁵⁷Awaiting 2009 data from St Canice's.

⁵⁸Buller High School roll data. Pers Comm., Andrew Basher, principal.

Westport's primary schools collectively⁵⁹, and also in the secondary school⁶⁰.

Pre-school services:

Further evidence of a wave of young families arriving in the District comes from the pre-school sector, where an inability to access pre-school places and after-school care has been of increasing concern in recent years.

In August 2010, a survey was carried out for the Westport Kindergarten Association to identify issues and potential demand for Early Childhood Education (ECE) services⁶¹. The survey results suggested a level of unmet demand at about 50% above the level of service at that time. A local area assessment carried out by the Ministry of Education and completed at the beginning of 2012⁶² reported several symptoms of access problems: the prior participation rate for 4-year-old pakeha children (94%) is below the South Island (98%) and national rates (98%) and is attributed to a lack of access; the majority of the 75 new entrants registered in 2010 attended an ECE service for a very short time, due to access issues. Indeed, the 2-4-year-old enrolment rate in 2010 for the Westport Urban catchment was recorded as 107%, indicating that children from outside the catchment were attending ECE services in this area, being a convenient arrangement for working parents.

The Ministry's assessment reported on total pre-school enrolments (253) at July 2010, as well as existing capacity in the three services⁶³, noting "no usable capacity at any of the services in Westport", significant waiting times⁶⁴ and waiting lists.

As a result of these capacity constraints, the Westport Kindergarten is currently building to provide a second service adjacent to the existing Kindergarten. This will accommodate an additional 50 children⁶⁵, and therefore will go only part of the way to meeting the existing gap between demand and supply. The social need for further increases in service capacity would therefore seem inevitable.

⁵⁹Of the order of 180 places.

⁶⁰The principal expressed the view that the school "could easily accommodate another 100 students without getting too big", and noted that even an additional 50 students would likely result in two additional teaching staff, yielding opportunities to offer students even greater subject choice.

⁶¹Including kindergartens, playcentres, play groups and Early Childhood Centres

⁶²Pers.Comm. Jenny Keetley, Senior Advisor Participation. Ministry of Education. March 2012.

⁶³Westport Kindergarten, Westport Playcentre and Westport Early Learning Centre.

⁶⁴For example, The Westport Kindergarten Association had a waiting list of 126 children, 71 of whom were over 3 years old. Because of the lack of capacity, younger children were not starting the afternoon session until aged 3.9 years, whilst older children were not starting the morning sessions until aged 4.5 years.

⁶⁵12 under-2s and 38 2-4-year-olds. Pers.Comm. President Westport Kindergarten Association. 26 April 2012.

Tertiary Education:

Tertiary education services in the District are represented by Tai Poutini Polytechnic, which established a Westport campus in 2009, and currently has a complement of 7 full-time or part-time staff. The Polytechnic operates a wide variety of training programmes including trade training partnerships with the High School, skills courses for unemployed people supported by Work & Income, pre-entry industry training and skills compliance training.

Much of the focus is in support of the growth sectors of the District economy, including the likes of engineering, diesel mechanics, science technicians in laboratories, and people working in the hospitality sector.

The Polytechnic is in discussions with local industry leaders, and is currently evolving its own development strategy to support the District's economic development.

C8 Health services (awaiting feedback from Buller Health)

The West Coast District Health Board provides both inpatient services and an outpatient clinic at Buller Hospital in Westport⁶⁶. Inpatient services cover a range of services⁶⁷ and are supported by visiting specialists and resident health professionals. St John Ambulance provides patient transfer services on a semi-volunteer basis⁶⁸. Base hospital services and visiting specialist services are provided at Grey Base Hospital in Greymouth with an Outreach clinic at Westport. Outpatient services in Westport are currently provided for by 4 GPs and supported by District, Public Health and Rural Nursing services.

There is also a clinic at Karamea staffed by two rural nurse specialists and GP visits for two days each, and another clinic at Hector/Ngakawau staffed by a rural nurse specialist and GP visits for one day each week. There are no private medical practices in northern Buller District.

The current 4 GPs comprise a mix of residents and locums who come to Buller typically for 6-12 months. One doctor is on-call after-hours for emergencies, and the emergency helicopter is based at Greymouth.

As an organisation, Buller Health has its own FIFO experiences. Some doctors come in on Wednesday morning and fly out on Friday afternoon. One does a 5-week rotation from Christchurch, another a 2-week rotation from Wellington. If the planes don't arrive, this causes considerable extra work and disruption re-scheduling patients. The FIFO arrangements also

⁶⁶<http://www.westcoastdhb.org.nz/information/>

⁶⁷Emergency department, acute admissions, birthing, long-term care and palliative care. There is no theatre, X-ray facility or anaesthetist available in Westport, so that in cases of acute admissions and emergencies, Westport hospital staff assess and stabilise the patient's condition and then arrange for transfers to Greymouth, Blenheim (road/helicopter) or Christchurch (road/rail/helicopter).

⁶⁸i.e. volunteers are paid just for the time they spend actually driving patients.

puts stress on medical team culture, when the specialist leading the team is not always present to support the team.

Primary health care services in northern Buller are at the limit of their capacity. Prior to 2008, there were 6 GPs. In 2008, Buller Health trailed a seventh and determined at that time that eight GPs were necessary to provide an adequate level of primary care. This view reflected the fact that District residents appear to present more often than populations elsewhere⁶⁹ and that the general health status of the population is below par. At the present time, Buller Health has the services of 4 GPs and is operating under highly constrained budget circumstances. Central government funding and resources are based on permanently resident population numbers, enrolled with local medical practices. Buller Health data for July 2011 indicated that approximately 80% of the District's usually resident population was enrolled at one of the medical practices.⁷⁰ However, the hospital and medical centre responds to all needs of people sick and injured; they charge visitors and out-of-district workers who are not registered with the medical practices.

The Buller Health interviewee for this assessment acknowledged positive social effects from the current boom in mining and employment. These included the inflow of new people to the community, including people from different nationalities and cultures⁷¹; the appearance of better prepared and healthy food selections in the local supermarkets; and new skills to recruit⁷².

However, two particular health issues have also emerged during this boom period. First, staff at Buller Health face professional issues when outsiders turn up without their full medical records, are not registered with Buller Health⁷³, and ask for repeat scripts for drugs previously prescribed by their 'home' doctors. This is a big issue for on-going medical care due to the absence of important patient information. The issue has become more apparent in recent years with the increase in FIFO and DIDO workers. Second is the issue of the mounting pressure on social housing discussed above. From a health perspective, this is particularly relevant for those on lower, fixed incomes - the elderly, the retired, and others living on benefit payments. There is a health problem with rising rents and poorly maintained properties now being rented; as demand grows from new workers in the district, whether they be FIFO, DIDO or local. Higher-paid

⁶⁹Attributed to a combination of possible factors: climate (damp and cold homes), an ageing population and a legacy of working in the mines.

⁷⁰Buller Health, pers.comm. 28 July 2011.

⁷¹In February 2012, 45 nationalities were recorded as being resident in Buller District. Pers.Comm. New Coasters.

⁷²Buller Health has recently been able to recruit 3 partners of miners as nurses or administrative assistants. Their arrival in the District to join their partners has been dependent on being able to get work and also being able to find reasonable accommodation. Buller Health offer new staff one month's free rental accommodation to facilitate their settling in to the District.

⁷³Which means that Buller Health staff have no access to their medical records.

tenants can displace lower-income tenants, driving them into below-standard accommodation. Health problems⁷⁴ then become apparent as a result of living in poorly insulated houses, using coal fires.

C9 Other social services

Interviews for this assessment have been conducted with the following other social service providers in Westport -

NZ Police: The police report no observable change in patterns of social behaviour or socially undesirable incidents in the Westport area during the past six years that might in any way be attributed to the increase in transient worker numbers during the current mining boom.

New Coasters: New Coasters is a service in support of new arrivals to the District. Established in about 2007 in response to the emerging level of need, and based in the REAP building in Westport, New Coasters provides new arrivals with information and guidance to access a range of services that enable them to establish their households and make connections within the community. Social networking is a regular and important element of the New Coasters service. Of 100 new settler families who had approached New Coasters in the past 18 months, 44 were associated with mining, construction and related industry.

Budget Advisory Service: The manager for the Budget Advisory service (BAS) noted that the Buller District is an increasingly expensive place to live in many respects, taking into consideration the relative costs of electricity, petrol, retailing and the recent trends in the costs of housing. In 2007, the BAS received ~100 referrals. These were either self referrals or agency referrals of people struggling with debt. By the end of 2011, the level had increased to ~200 referrals for formal budget advice, many of these from WINZ. This increase was attributed partly to the effects of government policy changes and partly to the pressures on the cost of living in Buller.

Women's Refuge: Women's Refuge is 70% funded by central government, with 30% coming as unpaid work. So far, Women's Refuge has not been successful in gaining funding support from the private sector. The manager reported that the known incidence of family violence has not become proportionately greater since the mining boom began. While there is lots of financial pressure - higher mortgages, over-commitment, and this can sometimes translate into relationship stress and family violence, any increase is only in proportion to the total population and not related to the mining sector workstyle. Nevertheless, there is a concern that the escalation in rents is such that low-socio-economic groups (e.g.

⁷⁴There have been extreme cases where medical staff have not been able to discharge frail, elderly patients to their rented homes because they cannot take the necessary medical support equipment with them to ensure recovery.

beneficiaries) can no longer manage the rents, housing is hard to get and not affordable any more, and this results in women staying in abusive relationships because there is nowhere else to go.

Drug and Alcohol Counselling Service: This public counselling service takes referrals from GPs and the Justice Department, and also self-referrals. There has not been any noticeable trend over the past five years in the numbers of such referrals that might be related to the mining boom. However, information has not been obtained on the numbers of referrals to the private counselling service⁷⁵, to which some of the larger private sector companies subscribe.

Homebuilders: Homebuilders is a non-government organisation which has been operating for 20 years on the West Coast, funded by Ministry for Social Development under the Children Young Persons and their Families Act, providing services to children and their families. Services include home-based social work; respite care for children 0-17 years overnight with health issues or Care & Protection issues; the Big Brother/Big Sister mentoring programme, helping youngsters to build healthy relationships; social workers in schools; and the Strengthening Families contract which supports families to meet their own goals.

In response to the emerging issues of housing accessibility and affordability, Homebuilders is part of a recent initiative called the Buller Housing Group. Homebuilders have noted both positive and adverse influences from the increase in mining jobs. Relatively well-paid jobs have put more money into household budgets that creates opportunities for enhancing family life. However, shiftwork can lead to relationship frictions when partners sometimes resent sole parenting. These effects have been observed more now than before shiftwork became the norm. Increasing demand for respite care for children aged 18 months to 2 years is often a symptom of other family problems - drug and alcohol use, and mental health problems. However, this is not seen as being linked to the mining boom, but rather linked to general societal pressures on families.

The Buller Community Directory lists a broad range of other social services available to residents of the District, including amongst others Alcoholics Anonymous, the Blind Foundation, Cancer Support, CCS, Citizens Advice Bureau, Community Aged Support, Foodbanks - St Vincent de Paul and Salvation Army, Gambling Problems, Home Help, Home Support, OSCAR Programme, Parents Centre, Plunket Society, Rape Crisis, Rural Educational Activities Programme (REAP), Relationship Services and Youth Counselling. Some social services can only be accessed via Greymouth, such as the Community Organisation Grants Scheme, Disability Resource Service.

⁷⁵Employee Assistance Programme (EAP) Services.

C10 Public and community infrastructure and services

The Buller District community has made substantial investments over the past decade in upgrading community infrastructure, aimed at creating attractive social and economic conditions. Earlier investments included upgrading Westport's waste water and municipal water supply systems, while more recent investments include improvements to civic infrastructure such as the new combined aquatic and sports complex, re-developed theatre, conference facility and museum in Westport, and also upgraded facilities further north in the District such as the new visitor information centre in Ngakawau and an upgrade to the Ngakawau swimming pool. These investments have been funded out of a mix of rates, District debt and corporate sponsorships.

C11 Social, sporting and cultural activities

Interviews for this assessment have been conducted with the following sports and cultural groups⁷⁶ in Westport -

Buller Rugby:

The Buller Rugby Union supports competitions for all ages of players from U6 through to U18, including competitions for girls' rugby teams.

Union representatives report that the spread of shift-work patterns in recent years has definitely impacted on the availability of people to play weekend sport, particularly adults. The Union has initiated discussions about work flexibility with mining companies and contractors.

Prior to 2011, senior rugby used to involve combined West Coast and Buller clubs and senior teams in a single competition. However, Buller teams sometimes had to default games because players would not turn up at the last minute, due to shift work commitments.

In 2011, the unions agreed to hold separate club competitions, and therefore focus on local games. This has resulted in higher levels of participation and better retention of local players as well. These observations include some miners and includes Reefton as well.

For comparison, in 2009, each of the clubs averaged ~25 players per senior squad. In 2012, each club senior squad is likely to average ~40 players. In effect, they almost need enough for two teams in order to be confident of fielding a single team regularly. Amongst these increases in player numbers in the past few years, Union representatives confirmed that Buller has gained some players from out of the District in recent years. In total, for all 5 clubs with senior teams, total player numbers have increased from ~130 senior players to ~200.

Junior teams also appear to be up by about 4-5 players per team this year.

⁷⁶Selected to cover a range of age groups, from pre-school children to adults.

Buller Hockey:

Buller Hockey has normally been focussed on clubs within Buller District, but with the damage and interruption caused by the problems with the new hockey turf at the Solid Energy Centre, West Coast Hockey is helping out this year, providing access to West Coast competitions in the interim.

The emerging new workforce, combined with the new facilities (new all-weather hockey turf) has seen a big increase in player numbers across most age groups. Previously there was no men's senior competition at all and 3 senior women's teams played on grass fields.

Now there are 5 senior men's teams and 5 senior women's teams

Buller Hockey also supports younger players - Mini Midgets, Small Sticks - and they have seen steady growth in these numbers too, from 4 year-olds upwards.

In the early years of the current mining boom, mining sector workers seemed to leave their families at home, out of the district. Now they are clearly bringing their families here - attracted by better facilities; and this is bringing more players.

Another impact of the current problems with the new turf has been the loss of a major national hockey tournament this year - and this means a loss of opportunity for players, but also for food and accommodation providers. The ability to host tournaments at the new facility is considered an important role for this investment in infrastructure.

Buller Basketball:

Buller Basketball supports competitions across the ages -

- 7-10 year olds - miniball on half court and full court; ~100 children in 10-12 teams; playing over a 10-week season in Term III;
- 11-12 year olds; 7-8 teams;
- High School; 8 teams;
- Seniors; 15 teams.

Overall, numbers of basketball players in Buller competitions have not increased much over the past 10 years; numbers have always been high - as many as could be catered for - and the sport has always been strong in Buller with a strong record of achievement amongst South Island districts across all age groups.

The advent of two full-sized courts at the Solid Energy Centre has made the delivery of the sport more efficient and straightforward. At the old community hall venue, both court space and court time was constrained and at capacity. Another benefit from having the new courts has been the

ability to host tournaments, at least one South Island tournament per year, such as the SI Small Schools tournament and the SI Divisional Senior teams tournament. These tournaments bring local economic benefits as well benefits to the sport. 8-10 teams visiting and bringing at least 10 people per team results in \$20k-\$30k of local expenditure in accommodation and food.

Being predominantly an evening activity, basketball as a sport is better aligned with shift work patterns than some other sports. About 25%-30% of the senior men work in the mining sector. The level of parent support for children's basketball and the numbers watching the games have seen some recent resurgence, reflecting a distinctive social role for this sport in the community.

Swimming at the Solid Energy Centre:

When the Solid Energy Centre opened in 2009, they had a target of getting 120 children (6 months to 12 years) into swim classes. By early 2012 they have achieved more than 200 attending, attributed to the number of new arrivals in Westport particularly in the past 6-12 months. However, there has not been a huge increase in the number of regular users of the pool, nor in the level of other swim club activity because of the long hours that people work.

Music & Movement:

Music & Movement classes have grown from one group to two over recent years. Parents are now more likely to be there too if they can. If both parents are working, some children are brought from the Early Learning Centre and returned after the session.

School of Dance:

Dance disciplines offered include ballet, jazz and tap with ages ranging from 4-18 years and some adult classes. The School of Dance organises dance competitions during the year and an end-of-year performance. The power of word of mouth, in a relatively small community, for generating interest in certain sports and arts is one reason behind the recent growth in attendances, as well as increased exposure on TV and in schools. Furthermore, the encouragement to young people to exercise aligns well with dance, particularly when the classes are interesting, enjoyable but nevertheless disciplined.

In 2008 the School of Dance offered 8-10 classes; in 2012 there are 16 classes offered. Change has occurred mainly in the last 2 years, with an obvious increase in new people coming into the District rather than just long-established local families. Previously classes were run by a single teacher; now several dance teachers are involved, allowing a greater variety of dance classes to be offered.

Many of the dance students' parents work in the mining sector. The biggest increases in numbers attending have been in the 4 to 5-year-old

beginners class and the teenage jazz classes. More students are now interested in solo and duo work and entering competitions.

The recently refurbished NBS Theatre has been an important new asset, not only to the District in a variety of uses, but also specifically to the School of Dance. It is well set up for showcasing performances and also allows for the storing of costumes during events. It has however also been necessary to secure the use of school halls in addition to the dance studio, to cater for the increasing number of classes.

Air Training Corp:

The Air Training Corp (ATC) is a part of the NZ cadet forces - air, sea and army cadets, supported by the NZ Defence Forces. Recruits are 13-18 year olds and ATC provides training in discipline, leadership, teamwork and survival skills as well as taking part in a range of activities and courses, trips on vessels or flights in aircraft or firing equipment, etc.

They parade once a week - on Monday evenings, 7-9pm - and they organise one major activity per month at weekends - tramping or a local Defence Force visit. Numbers have not changed much in recent years, being typically in the range 15-20 or 5-6% of the available youngsters in this age group. This shows the same trend as at Buller High School, and is also typical for NZ. It should be remembered (see section C4 above) that this teenage age group has declined in total numbers in Buller District since 2006. Numbers attending the ATC did increase above average in 2011, but this is attributed to a well-publicised trip that was organised to Christchurch and Burnham, including a visit on a ship in Lyttelton.

In recent years several youngsters have been involved from families associated with the mining sector - one currently; at most a couple at a time.

Summary of changes in activity/membership levels:

A summary of changes in activity/membership levels for the various sports and cultural groups in Buller District interviewed for this assessment is provided in Table 8

Table 8: Recent trends in activity/membership levels

Group/organisation	Variable	Change	Commentary
Buller Rugby Union	Number of senior men's players	130 (in 2009) to 200 (in 2012)	Combination of emphasis on local games, new arrivals from out of the district and shift workers managing their shift arrangements

	Junior player numbers	Up by 4-5 players per team, between 2009 and 2012	New arrivals in the District
Buller Hockey	Senior men's teams Senior women's teams Junior players	From 0 to 5 teams From 3 to 5 teams Steady increase	New arrivals in the District
Buller Basketball	Overall numbers Senior men players Parental support	Remained constant 25%-30% mining sector Increased in recent years	Always been strong Aligns with shift work New arrivals in the District
Solid Energy Centre	Children's swim classes at SEC	120 (in 2009) to >200 (in 2012)	New arrivals in the District, and increasing popularity of swimming
	Gym membership at SEC	120 Stockton shift workers in the past 3 months	40% concession to reflect shiftwork limits on access
Social/cultural activities for pre-schoolers	Brain Gym classes	Numbers have increased	New arrivals in District as well as those from long-established District families
	OSCAR holiday programme attendances	The most recent holiday programme was fully booked with a waiting list	New arrivals in the District
	Music & Movement classes	Grown from one group per week to two groups in recent years	New arrivals in the District
School of Dance	Number of classes offered	8-10 (in 2008) to 16 (in 2012)	Increasing popularity of dance as an exercise option and new arrivals in the District
Air Training Corp	Numbers attending	Remained constant	Proportional to age-group population

The Buller Community Directory lists a broad range of other sports organisations and clubs and cultural groups available to residents of the District, including the Arts Council, Badminton Club, Brass Band, Basketball Association, Board Riders, Bowls, Brownies/Girl Guides, Car Club, Caving Club, Community Choir, Country Music, Cricket, Cycling, Deerstalkers, Embroidery, Food & Wine Club, Four Wheel drive Club, Girls Brigade, Golf, Harriers, Judo, Karate, Netball, Quilting Club, Rifle Club,

Rodeo, Surf Lifesaving, Surfing, Tennis & Squash, Tramping, Walking Group, Yacht & Powerboat Club, Yoga.