

# St Helena Airport and Supporting Infrastructure



## Socioeconomic Impact Assessment Summary

Summary of Environmental Statement: Volume 6



## PREFACE

The St Helena Government (SHG) is seeking development permission to construct an airport together with supporting infrastructure. Although not a statutory requirement in St Helena, DFID and SHG require that the application for development permission be accompanied by an Environmental Statement (ES) which summarises the findings of the Environmental Impact Assessment (EIA). Included in this ES is the Socioeconomic Impact Assessment (SIA) which was carried out with regard to the EIA procedures set out in Volume 2, Chapter 3.

## PURPOSE OF THIS DOCUMENT

This document provides a summary of the Socioeconomic Impact Assessment. It has been prepared to provide information to the public about the impacts of the development of an airport and supporting infrastructure on St Helena.

## FURTHER INFORMATION

The full Environmental Statement, including Volume 6 - the Socioeconomic Impact Assessment, together with other information about the proposals, can be found at the following locations:

- The Access Office
- Prince Andrew School
- National Trust Office
- Legal & Lands Office
- Jamestown Public Library
- St Helena Development Agency (SHDA) Office

The full Environmental Statement can also be read online at:

[www.sainthelenaaccess.com](http://www.sainthelenaaccess.com)



## 1. BACKGROUND TO THE PROJECT

Access to the island is currently provided by the Royal Mail Ship (RMS) St Helena, which calls at the island approximately 25 times per year at irregular intervals. The RMS is due to be retired from service shortly after 2010.

St Helena rises from the South Atlantic Ocean some 1,200 miles from the coast of Africa. (Figure 1.1) It is one of the most isolated places in the world. Although one of the primary factors in shaping a unique and close knit community, the isolation of the island presents the residents with a number of significant social and economic problems. Young skilled workers have been leaving to seek employment elsewhere. The population is declining and ageing and this has had consequential effects on the local economy and the social well-being of the community. It has become increasingly difficult for the island to support its reasonable needs from its own resources.

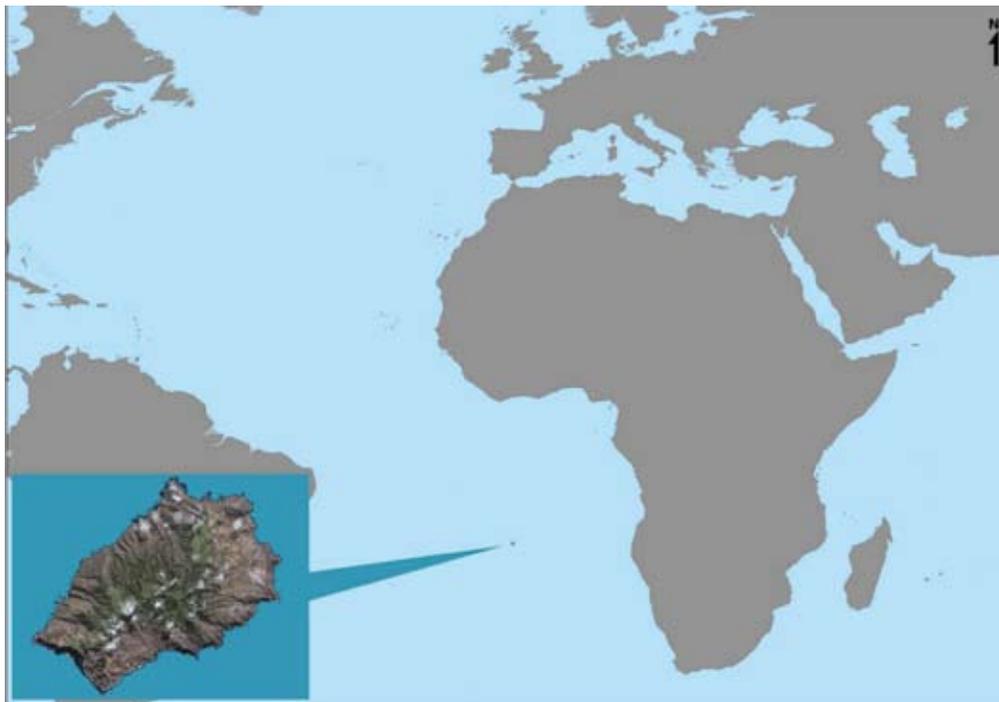


Figure 1 Location Plan

## 2. ALTERNATIVES & CONSULTATION

A number of options for providing better access to St Helena have been considered. In making their decision, SHG and the UK's Department for International Development (DFID) considered alternative solutions including a replacement ship and various airport proposals catering for aircraft of different sizes. Based on the results of studies it was decided that constructing the proposed airport was the best solution for reversing current trends and the linked social impacts of decline. It would make the island more accessible for tourism, stimulate the economy through inward investment, and create opportunities for those living on the island, substantially reducing their isolation from the rest of the world. The decision to construct an airport also supported the 2002 referendum where 71.6% of those who voted on St Helena, the RMS St Helena, Ascension and the Falklands were in favour of building an airport.

Public consultation has been undertaken by SHG and DFID throughout the decision making process and in a wide range of locations to ensure that Saints living both on the island and away from home could be involved. Activities have included meetings/forums, exhibitions, TV programmes, radio interviews and regular press releases to keep the public informed of progress.

## 3. DESCRIPTION OF THE SCHEME

### Overview of The Airport and its Supporting Infrastructure

The proposed airport will be located on Prosperous Bay Plain in the east of the island (see Figure 2). The runway will be 1,950 metres (m) long and will be encompassed by an area of cleared and graded land some 300m by 2,250m. It will be designed to operate Boeing 737-800 or similar aircraft (see Figure 3).

Earthworks will be required to create a level area of land long enough for the runway. Approximately eight million cubic metres of material will be removed from Prosperous Bay Plain. This will reduce the height of the ridge of land on the eastern edge of the plain, where the proposed runway will be, up to approximately thirty metres. The material will be used to create a large embankment structure in Dry Gut valley some 700m long by 100m high (see Figure 4)



Figure 2 Proposed Airport and Supporting Infrastructure

The following temporary and permanent infrastructure is proposed (see Figure 2):

- The airport and its associated facilities including a terminal (see Figure 3). A temporary private airstrip may be required until the permanent runway is constructed.
- A wharf to accommodate ships for loading and unloading cargo both during construction and in the long term.
- The existing Bulk Fuel Installation will be replaced by a larger facility and relocated away from residential areas.
- A new / upgraded road, 14km in length, will be used to transport material during construction and, in the future, provide access to the airport and to presently inaccessible parts of the island.
- A quarry in upper Rupert's Valley may be used to provide material for the construction of the wharf. Two possible locations have been selected.
- Temporary compounds for use during construction including a site near the airport for the Contractor's work force.
- A temporary and permanent water supply system.
- In addition, airport safety and navigation equipment including remote obstacle lighting and navigation aids will be needed. A seawater pump and pipeline from Gill Point may be required during construction.
- It is expected that construction of the scheme will commence in 2008 and is estimated to continue for around four years. It is likely that the construction of a number of the project components will be underway at the same time.

### The Airport

The airport is expected to open in 2013. Table 1 shows the broad number of estimated passenger and aircraft movements for the new airport based on the use of a Boeing 737-800 aircraft (as shown on Figure 3) with 162 seats.

In addition to this there may be a small number of charter flights per week as the island tourist business matures. In the longer term, flights are likely to come from airports in Cape Town and Johannesburg, South Africa; Walvis Bay and Windhoek, Namibia; Wideawake Airfield, Ascension Island; London and other European cities.

Year of Operation	Passengers	Aircraft per Week
5	12,500	2
10	21,000	3
15	37,000	5

Table 1 Estimated of Number of Passengers Per Year Travelling on Scheduled Flights



Figure 3 Artist's Impression of Airport Terminal with B737-800 Aircraft



Figure 4 Artist's Impression and runway across Dry Gut

## 4. SOCIOECONOMIC IMPACTS

The socioeconomic impact assessment predicts effects within national boundaries. Negative and positive effects were assessed on a rising scale as follows:

- **Major** - These are highly significant impacts because of their large scale and/or the importance of the area affected.
- **Moderate** - These are significant impacts because of their scale and/or the importance of the area affected.
- **Minor** - While noticeable these impacts are not significant.
- **Negligible** - These are very small impacts that are not significant.
- **Neutral** - Where positive and negative effects cancel each other.

An economic model was created as part of the original Feasibility Study for the project in 2004 and forecasts included in this section are based on the outputs of that model. These forecasts are meant as a guide to show the broad magnitude of potential effects and should not be considered a definitive levels or targets.

An outline of existing socioeconomic conditions on the island and the main predicted impacts is set out below.

### Population

During the peak of construction activities, 400 to 500 workers may be required. Many of these will be expatriate workers, both Saints and non-Saints, and will be predominantly male. A minor adverse impact is predicted. That is, a concern that non-Saint migrant workers may use the project as a means of gaining permanent residence in St Helena. The forthcoming revision of Immigration Laws, to be enacted before the first workers arrive, will address this along with other (non-airport) immigration issues.

Major positive impacts on the island's population are predicted once the airport becomes operational. The introduction of air access is predicted to reverse the current population decline, creating net in-migration and growth within the resident population. The majority of those attracted back to the island and those migrating to the island will be economically

active, and the influx is likely to go some way towards redressing the current population imbalance. The island could also experience in-migration by people wishing to retire in the longer term. St Helena Government will monitor and influence population changes through immigration policy and social planning.

### Economy

The economy of St Helena has been in a gradual state of decline since the demise of the flax industry in the 1960s, and the island has since become increasingly dependent on UK budgetary aid which has increased rapidly over the years. In 2000 budgetary aid totalled £3.2 million and represented a third of SHG revenue, while in 2005/6 it had risen to £6.4 million representing nearly half of SHG total revenue. The falling levels of population and economic activity mean that the tax base has been considerably eroded. The labour force is small and the island is experiencing a significant 'brain-drain' as skilled labour leaves in search of opportunities elsewhere. The public sector is the main source of economic activity, accounting for nearly half the island's Gross Domestic Product (GDP). The island's economy is highly dependent on imports and has a significant trade deficit. The tourism sector is not a significant source of employment, with revenue accounting for only around 3% of GDP in 2004/5.

The construction of the airport and supporting infrastructure will provide a temporary boost to the economy through the creation of jobs, increased demand for local goods and services to assist with construction, and the multiplier effects of additional activity and expenditure. Unemployment is expected to be reduced during construction. A range of measures are planned to ensure that Saints make the most of the employment and business opportunities that the development will create.

It is anticipated that there will be a movement of labour from both public and private sector activities to the project during the construction period due to wages paid by the contractor being above the prevailing local rate. Mitigation includes modernisation and efficiency improvements in the public sector and, if necessary, SHG activities to attract expatriate workers. However there is expected to be a temporary decline in certain public sector services and the ability of the private sector to provide goods



and services, particularly in the construction sector. The price of some services will rise and there is likely to be a period of relatively rapid inflation. Measures will be proposed so that the adverse effects of this, certainly for the most vulnerable, are minimised.

Other adverse impacts, which are considered temporary and of minor magnitude are disturbance to existing business activities at Rupert's Bay.

Major economic benefits are predicted over the first few decades of airport operation. The benefits include<sup>1</sup>:

- Average GDP growth of around 6.3% per annum over the first 30 years of airport operation, equivalent to an overall increase of over 330%;
- An approximate doubling of the number of employed persons on the island with an increase of over 2,000 jobs after 25 years of airport operation. Unemployment is predicted to remain negligible and largely structural;
- Increase in the number of tourists from 800 overnight visitors and 1,500 day trippers per annum in 2005 to up to around 58,000 per annum after 25 years of airport operation;
- Development of the private sector as the engine of the economy, led by activity in the tourism sector. Annual private sector investment is forecast to reach approximately to £17 million after 25 years of operation; and
- Financial independence, with the aid received from the UK Government reduced to zero within 15 to 25 years of airport operation

Moderate negative impacts are predicted due to increases in social inequality arising from rising prices and unequal distribution of benefits from private sector development in favour of higher skilled Saints and/or Saints with greater entrepreneurial ability. But overall improvements to the welfare system made possible by an increasing tax base and reorganisation should help to address the issues created by rising inequality.

Competition for labour between the private and public sectors is also predicted but following some initial dislocation, this is likely to have only a limited minor impact in

<sup>1</sup> The following are forecasts of the potential benefits and are meant as a guide to show the broad magnitude of potential effects. They should not be considered a definitive levels or targets

the long term due to the restructuring of the public sector and the re-entry of workers into the job market post-construction.

A range of measures are proposed to ensure that benefits are maximised and negative impacts are minimised. These include the implementation of the policies set out in the Sustainable Development Plan (2007), the Tourism Policy (2006) and the Investment Policy (2006), and active Government intervention to support business and encourage inward investment, to provide training and to ensure that Saints make the most of the opportunities on offer.

### Education and Training

Full time education is provided for everyone on St Helena up to the age of 16 through four primary schools and a single secondary school, Prince Andrew School. Further Education is provided by supporting students to seek education opportunities overseas. Enrolment in schools is in decline and as a result there have been a series of mergers of schools. The retention of quality teachers at all levels is difficult, and the range of subjects taught at secondary school has been reduced.

The increase in population and economic activity resulting from the project will lead to an increase in the tax base from which the Government can invest in the education system. In addition, there will be an increase in the demand for school places. The resulting expansion of the school system will provide the opportunity to broaden the secondary school curriculum as well as increasing the demand for teachers. SHG is considering a range of measures to attract people into teaching roles including reviewing teachers' salaries and encouraging re-employment of retired staff. Overall, the education system is expected to benefit considerably from an increase in scale and investment in the longer term. However, it is important to note that there may be a lag between the actual and required increase in capacity of the school system. This could create issues in the short term. The opening of the airport will also provide new opportunities for travel including school trips, bringing local children into contact with people from around the world and broadening their horizons.



It is anticipated that during the construction phase of the project that people working in the education system may be attracted to the construction project due to wage differentials. This will increase pressure on the education system in the short term, although significant improvements are predicted in the long term, as explained above.

The introduction of air access is also predicted to generate increased demand for adult education and vocational training, particularly in the tourism and hospitality sectors. The skill levels of the population are predicted to rise.

### Health

A public health service is provided to all St Helena residents. The island has a range of health facilities and overall health care indicators have improved markedly in recent years with life expectancy now similar to that of the UK. However, a number of facilities are missing, and some serious cases require treatment abroad.

The Contractor will provide a range of medical services to meet the primary health care needs of workers. However, secondary medical facilities will not be provided, and serious accidents and emergencies relating to construction workers will place additional demands on the island's health care systems, although the Contractor will pay for hospitalisation of construction workers. It is also anticipated that during the construction phase of the project people working in health services may be attracted to the construction project due to significant wage differentials. This will also increase pressure on the health system in the short term, although significant improvements are predicted in the long term, as explained below.

The predicted growth in population together with a growing tourist industry following the introduction of air access will place additional demands on health services. However air access will also bring a number of benefits such as rapid emergency evacuation and a reduction in the need to stockpile drugs. An increasing population will also make it easier to provide cost effective health care and the growing economy will provide a larger tax base from which improvements in health care can be funded. A range of measures are planned to ensure that the health system is developed to deliver improved services and an improvement in the quality of health care is predicted. There may however be a lag in the actual and required increase in capacity of the health care system, which could create short term issues.

Care of the elderly is an increasing concern as the population ages. Air access should both redress this balance in favour of a younger working population and result in an increase in non-medical care of relatives at home made possible by the return of Saints currently living overseas.

To date there have been no recorded cases of HIV/AIDS on St Helena. The influx of construction workers, migrants and tourists will increase the risk of transmission of infectious diseases which may not be currently present on St Helena. A range of measures taken by both SHG and the Contractor are proposed to ensure that the increased risk of HIV/AIDS, STIs and communicable diseases is minimised. These measure include the strengthening of port health and infection control arrangements, the recent recruitment of a dedicated HIV/AIDS adviser and the development of a St Helena HIV strategy.

### Social Cohesion, Security and Crime

The social structure of the island is being affected by out-migration of young adults. The proportions of elderly people are rising, and the family unit is being broken up as adult Saints are forced to seek work overseas leading to the splitting up of the family unit and an increase in the number of children living in foster care. In 2003 it was estimated that 150 children were living in informal foster care, normally with grandparents or relatives, while their parents were working overseas. Family and social life is further undermined by the cost and the long time required to travel to and from the island by sea.

Major benefits are predicted to family life on the island following the opening of the airport. Air access will allow quicker and easier access to and from friends and families working abroad. It will also allow families to be re-united as people return to St Helena attracted by the new economic and employment opportunities available on the island. The incidence of fostering of children by relatives is expected to be reduced as parents return home. The re-balancing of the population brought about by this return migration will also reduce the pressure on the social welfare system, increasing the island's tax base and reducing the proportion of people who need to be cared for or supported by the taxpayer.



The crime rate on St Helena is currently extremely low, with a small police force and limited facilities. Minor impacts are predicted caused by the influx of the construction workforce, migrants and tourists. These include possible tension between newcomers

and residents, and the potential for increases in crime or fear of crime. A range of measures will be put in place to minimise these impacts. The majority of the workforce will be housed well away from currently populated areas, and increased resources will be provided for policing and other authorities. The Contractor will be responsible for the behaviour of employees, and for reducing and dealing with incidences of anti-social behaviour, as well as vetting potential staff for criminal records and employing security personnel.

Discussions are currently being undertaken to provide a replacement for the RMS St Helena for the link between Ascension Island and St Helena. The possibility of providing air access via Wideawake military Airfield on Ascension is being explored. Failure to deliver this replacement link would make travel between Ascension Island and St Helena considerably more expensive and inconvenient than is currently the case, and the securing of a replacement link by SHG will be an important part of the overall air access project.

### Housing

St Helena has one of the highest rates of home ownership in the world with 80% of families owning their own home. Many people who leave the island to work overseas send money home to build houses and the housing construction market places heavy demands on the island's skilled and unskilled labour force.

During the construction of the airport, workers from the local construction industry are likely to be attracted by higher wages to work for the Contractor. This will have an adverse impact on the local construction industry and, at least in the short-term, the supply of housing and other forms of infrastructure development. Substantial local private and public sector wage adjustment in the industry is likely and this will inflate building costs.

Following the opening of the airport, there is potential for increased demand for housing from both returning Saints and second home ownership of non-Saints to lead to rising house prices and increased pressure on the local development industry. There are concerns that this may disadvantage low paid workers, leading to continued out-migration of Saints. A range of Government interventions seek to minimise these impacts including: an increase in the release of Crown land for residential development; the allocation of land for development in the Land Development Control



Plan; the introduction of procedures for foreigners seeking to acquire land; and on-going monitoring of migration trends to allow additional home ownership issues to be addressed if required. Also, a rising demand for unskilled local labour from hotels and other recreational facilities is expected, which should encourage rising wage levels for this group.

There are two location options for the contractor's camp: a) east of Bradley's Garage and b) west of the airport site on Prosperous Bay Plain. In the event of the contractor's camp being located near Bradley's Garage, SHG will seek to temporarily re-house those residents living close to the camp activities if the disruption to their lives is considered to be significant and if they chose to move.

### Utilities

Provision of power, water and wastewater treatment facilities varies across the island, with a number of locations currently experiencing supply problems, and a range of projects being investigated or implemented to improve utilities. No impact on utilities is anticipated from the construction phase of the project as airport-related utilities will generally be provided independently from the island's supply. However, the increase in the resident and visiting population following the introduction of air access will significantly increase demand for power, water and wastewater disposal. Investors in the island will be expected to contribute to the cost of improving infrastructure. Work is currently being undertaken by SHG to develop an island-wide infrastructure plan to ensure that increasing demand is met.

## 5. SUMMARY OF THE KEY IMPACTS

The major and moderate predicted socioeconomic impacts of the scheme can be summarised as follows:

### Adverse

During construction:

- A shift of labour to the construction project, leading to an adverse effect on the quantity and quality of public service provision including in the health and education systems, and on the ability of the private sector to provide goods and services, in particular in the local construction industry (moderate adverse); and
- Increased pressure on the health system due to both to the shift of staff explained above and increased demand for services for the treatment of serious ailments suffered by construction staff (moderate adverse).

Following the opening of the airport:

- Economic development is likely to lead to rising incomes for some sectors of the population, as well as rising prices for all. This will increase the gap between rich and poor, and the real cost of living for some sectors of the population. Adverse impacts in terms of rising house prices on lower income households, possibly encouraging out-migration, are a particular concern (moderate adverse).

### Beneficial

During construction:

- Economic growth and job creation providing a range of new opportunities for Saints living at home and overseas (moderate beneficial).

Following the opening of the airport:

- Reversal of the trend of population decline and re-balancing the population structure through an increase in the proportion of people of working age (major beneficial);

- Significant economic growth including an approximate 330% increase in Gross Domestic Product (GDP) in 30 years and increase in employment by around 2,000 jobs in 25 years from commencement of airport operation and on upward adjustment in wage levels (major beneficial);
- Increase in tourist numbers from around 800 per year to around 58,000 per year 25 years from the opening of the airport (major beneficial);
- End to the requirement for overseas budgetary aid leading to financial independence between 15 and 25 years from opening of the airport (major beneficial);
- Development of the private sector to become the main source of investment and economic activity (major beneficial);
- Improved health and education systems enabled by the growth in population and increased Government revenues (moderate beneficial);
- Improved access to international health expertise, including enabling emergency medical evacuation of critically ill people (major beneficial);
- Improved adult skill levels due to new employment opportunities and vocational education (moderate beneficial);
- Improved family-based care of the elderly and a reduction in the informal fostering of children by relatives enabled by the return of Saints of working age to the island (moderate and major beneficial); and
- Reduced pressure on the welfare system freeing up resources (moderate beneficial).

### Overall Statement of Social Impact

From the analysis it is clear that the overall current situation is one of relative economic stagnation and a decline in the quality of family and community life. This is a result of demographic change as the economically active leave the island for better prospects.

The positive long term impacts of the airport indicate that:

- Air access will create conditions and better prospects for competitive wages and salaries and thereby to some extent reverse out-migration for work, and attrition; Additional numbers of economically active people will lead to an increase in the number of children of school age;
- An enhanced tax base will make revenue available to improve health and education and training services, and enable improved care of the elderly.

