



Rocky Hill EIS Response

Economic and Socio-economic Issues

Abstract

The “economic benefit criterion” has been advanced as the primary factor affecting the acceptance or rejection of an application to establish the Rocky Hill open cut coal mine in Gloucester.

State and Federal Governments has been investing significantly in The Gloucester Project, a regional development program offering demonstrable economic development, employment and revenue benefits.

TGP’s program has received substantial validation and support from government and non-government agencies.

Because of the negative impact of the proposed mining activity on TGP’s resource base, the Rocky Hill mine would prevent the further development of Gloucester’s regional development, food future program.

As well as being the preferred option for Australia’s future, the Gloucester Project’s development is economically superior, over extended time, to that offered by the Rocky Hill mine.

.....

1. The following comments refer to both the economic and the socio- economic issues associated with the application of Gloucester Resources Ltd. to establish an open cut coal mine in the Gloucester region of NSW. These comments are not confined to a response to the Rocky Hill EIS presentation because that presentation is inadequate in its scope and content. Other respondents will offer detailed analysis of this inadequacy. Thus it is not in the interests of the Gloucester region, nor of the nation to limit reference to the economic and socio-economic impacts of this proposed industrial development to the inadequate and confining scope of the EIS.

2. Any analysis of the potential of a region to provide economic benefit depends on recognition of the relative economic advantage/s offered by the region's natural and human resources. Gloucester has two major recognized resource bases; fossil fuel deposits and food production & distribution and the potential for further development.

3. The Rocky Hill Stage 1 proposal impacts on the Avon River Valley, water and land use sectors. Expansion from this primary exploitation zone into subsequent extensions is essential to make GRL's establishment costs economically viable. GRL's exploration licences extend into the adjacent Gloucester River Valley land use and water distribution systems.

4. The two resource use systems, fossil fuel exploitation and food production expansion cannot occupy the same sections of a region because food production's essential resource factors of water availability, quality and security, soil quality and availability and the land ownership system are deeply disturbed and damaged by the essential industrial methods of open cut mining. In Gloucester, because of the additional presence of CSG extraction industrial practices and the significance of the region's hydro-geological circumstances, the risk of significant resource damage is heightened.

5. Consideration and comparison of the economic benefit or detriment of the two economic options available to the region is an essential part of any evaluation.

6. In response to local, national and world concern about food security, governments at the three levels have invested hundreds of thousands of public dollars into Gloucester's innovative regional development and food future program. This program has been initiated and developed by a group of Gloucester citizens with backgrounds in academic, business, professional and practical aspects of this socio-economic program. There is comprehensive evidence in the amount and quality of the support for The Gloucester Project to give it a status and credibility that far exceeds the seriously inadequate claims presented in the Rocky Hill EIS.

7. TGP has received the NSW award of the Foundation for Rural and Regional Renewal. It has won a three year grant to develop a demonstration horticultural farm and has made significant progress in

showing the potential of the region's land and climate to produce a wide range of food products. TGP's economic model is based on localizing the ownership of wealth-creating businesses within the region, creating an economic multiplier effect that has achieved up to three times the economic, employment and tax base levels in regions where it has been implemented.

8. The economic and other benefits spread to nearby metropolitan areas where former food producing sectors are being resumed to house the increasing populations.

9. The socio-economic impacts of mining on a community are well understood. The short term, high impact, unsustainable changes which will accompany a Rocky Hill form of development contrast vividly with the economic stability and sustainable growth capacity of Gloucester's regional development model, especially when the product of the core industry will be needed for as long as people need food.

10. The range of businesses, services, housing, medical and educational facilities, are all affected by the economic characteristics of the core industry and regional development model. Domination of an economy by a narrow, externally capitalized enterprise has a profound limiting effect. The well-supported Gloucester Project promotes conditions that create a diversified, multifaceted, wealth generating demographic situation.

11. Research and analysis of rural regional decline throughout the world demonstrates the fact that despite the trickle down benefits to sections of the community, when external capital is invested in a region, the business model demands that the capital must grow, otherwise shareholders will transfer their capital or the business itself will transfer. By its essential nature, dependence on external investment in a region results a net decline in the region's socio-economic status. Mining has additional economic characteristics in that its impact on the resources that must be damaged by the removal of soil, water and land ownership prevents the alternative form of development., both during and subsequent to the mining operation.

12. Contrasting with GRL's Rocky Hill, wealth-removing economic model is TGP's model which retains and reinvests the capital within the region. This is the basis of the economic multiplier effect.

13. It is also a fact that the techniques being demonstrated by The Gloucester Project actually enhance the natural resource that is being exploited. In sheer economic terms the soil is becoming more productive and more valuable and the property and business of the landowner increases in value. This contrasts clearly with the destruction of the soil and the devaluation of the land which accompanies mine proximity.

14. Worldwide, nations are being urged to establish forms of adaptation to the already impacting phenomena of climate changes and economic instability. The Gloucester Project is a clear example of essential adjustment on a number of fronts.

Conclusion:

There are many regions where decisions are made to sacrifice the status quo in the interests of presumed economic benefit. Gloucester is a rare example of a region where there is not only a valid reason for preservation, there is also a viable, demonstrable, economic program which more than matches the apparent economic credentials associated with mining.

If it is valid that economic issues shall be the ultimate determinant of whether or not a region will undergo radical socio-economic change, then even on such a criterion, the government's and the region's continued sinvestment in Gloucester's viable economic alternative is clearly preferable.

Governments which have the objectivity and foresight to adopt a future focus such as is represented by The Gloucester Project's regional development and food future program, will earn the respect of those who elected them.



K.E. Johnson,
President,
The Gloucester Project.

Contact:

P.O.Box 224 Gloucester, 2422.

E: thegloucesterproject@ipstarmail.com.au

Ph: 02 6558 3191