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COUNCILLOR ANDREW HOPE

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Department of Planning & Infrastructure
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Dear Sir

I welcome the employment and business opportunities the Shenhua Watermark project offers to communities on the Liverpool Plains and believe the detailed and exhaustive Environmental Impact Statement paves the way for this project to proceed.

The project, located approximately 25 km south-east of the township of Gunnedah and to the immediate west of the village of Breeza, is in a location that also offers opportunities for centres such as Werris Creek and Quirindi. With an estimated workforce of up to 600 full-time equivalent employees required during construction and an average of 425 full-time equivalent employees during the operation of the project it provides great, long-term opportunities for the region.

Coal mining supports local communities and provides a big boost to both regional and the national economies. The presence of coal mining supports economies in many ways. At the most basic level coal mining provides employment for local communities. Many more jobs are supported by the industry and across the coal value chain. These jobs make a major contribution to social and economic development. Improved infrastructure due to mining activity can also support broader economic development within the region, supporting other industries and facilitating the development of social infrastructure. Mining operations also bring revenues to governments. Companies pay taxes and can contribute royalties which help governments fund other services, such as health, education, welfare and security. Coal produced is exported to other countries, earning valuable export income and supporting national foreign exchange reserves.

Such levels of employment and income provide a base for larger inputs into regional economies. The resources industry typically has much higher salary levels than many other industry sectors. For example, May 2010 ABS data reveals that the mining industry in Australia paid 2.1 times more per employee than the retail trade industry, and 1.8 times more per employee in the manufacturing industry.

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As a region, the Liverpool Plains badly needs this economic stimulus. 2011 Census figures show that in the Liverpool Plains Local Government Areas, for couple families with two incomes, the median income for those with children was \$1,777 and those without children was \$1,496. This compares with the NSW median of \$2,120 and \$2,370 respectively. The Shenhua Watermark project provides real opportunity to grow this region's economy.

Business expenditure generates both upstream and downstream ripple effects through the business supply chain as local businesses purchase goods and services from other businesses, often through several links in the supply chain. The net effect of subsequent rounds of economic activity in the business supply chain can be categorised as indirect effects. The increased employment that is generated through the direct effects, resources sector employment, and the indirect effects, business supply chain, generates a number of final consumption effects to support an increased population base and stronger local economy.

Studies have identified an economic base multiplier of 7.93, implying that for every dollar of new income generated by the projects in a region, an additional \$6.93 of additional new income would be generated through the remainder of the region. Previous modelling directly relevant to this submission was carried out by ACIL Tasman in 2007, and reported by the State of Queensland Department of Mines and Energy. In that report, the contribution of the mining and minerals processing sector to the Queensland economy identified that in 2004-05, Queensland's mineral and mineral processing industry generated a direct value-added contribution of \$15,377 million, or 9.7% of Gross State Product.

It is important that we maximise the value to society from the production and use of coal while at the same time minimising any negative impacts. We have to be mindful of social impacts such as housing availability and on services such as police, health and aged care, as well as the need for additional government staff to be located in the region to back those services.

Additionally, the agricultural sector is an important component of the Liverpool Plains economy and steps must be taken to safeguard its long-term viability so that when coal mining is exhausted its future is assured. The EIS for the Shenhua Watermark project appears to cover this important consideration and the protection of associated water resources.

Coal plays a central role in supporting global economic development and is an essential resource to meeting the world's energy needs. Coal currently supplies 30.3% of primary energy and 41% of electricity generation worldwide. Coal use is forecast to rise over 50% to 2030. Australia and our region must seize the opportunities to benefit from this situation.

Yours faithfully

Andrew Hope
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