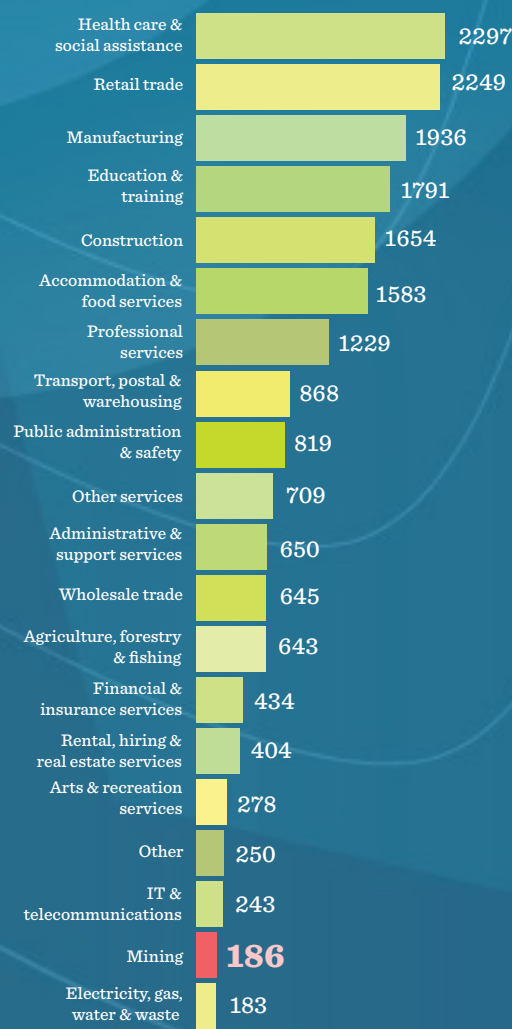


Local employment by industry

By any measure, coal mining's current and potential contribution to the Southern Highlands economy is minor.

As the 2011 census graph below shows, mining is one of the smallest employers by industry with fewer than 200 residents:



Mining jobs

Mining doesn't employ many people

Mining is one of the smallest employers of Southern Highlands residents, employing only 186 residents of the region's 20,000 person workforce at the census in 2011. This figure is likely to have declined since then with the closure of Berrima Colliery and downturn in coal mining generally. ABS labour force data suggests the coal industry has shed around 20,000 jobs over the last two years.

Mining employees drive in, drive out

The NSW Minerals Council estimated in 2014 that mining employs only 82 residents in Wingecarribee shire, which accounts for much of the Southern Highlands area. These results suggest that the bulk of the Tahmoor mine's several hundred workers commute to work from outside the Southern Highlands.



Coal in the Southern Highlands

There are currently proposals to build one new coal mine and extend an existing coal mine in the Southern Highlands. The economic effects these proposals have not been widely considered, despite their potential impacts.

While coal has a long history in the Southern Highlands, it plays a small role in its economy today. The local Berrima Colliery dated back to 1867 but was mothballed in 2013 following water pollution problems. With coal prices low and the future of the industry uncertain, it is important to place coal proposals in their economic context.

Current and proposed mines

The active coal project is Tahmoor Coal, an underground longwall mine which began in 1975. It is currently owned by Swiss-based multinational Glencore. It mines coking coal and thermal coal, producing around two million tonnes of saleable coal in 2013.

The proposed coal project is Hume Coal, owned by Korean energy company, Posco. It is currently exploring in the Southern Highlands region around Sutton Forest, with the intention of developing an underground mine.

The proposal is controversial as the project has the potential to damage important groundwater resources in the area.

Water quality may be impacted, local tourism businesses may suffer, and property values may fall.

Pru Goward
NSW Minister for
Planning and
Infrastructure

Isn't coal mining necessary for the NSW economy?

No. Mining royalties account for only two per cent of the state budget, about as much as traffic fines and licenses fees.

Doesn't coal revenue pay shire rates?

No. The industry's own estimates suggest coal mining pays less than one per cent of Wingecarribee Shire's \$50 million annual rates revenue.

Won't coal create jobs in other industries?

No. ABS and Reserve Bank data indicates mining often negatively impacts local employment in agriculture.

But will mining help local manufacturing?

No. While some manufacturers benefit from mining investment, others face cost increases that force job losses and business closures.



Water and agriculture

The Southern Highlands Coal Action Group commissioned a study into the impact of the Hume Coal proposal on water resources in the region.

The study found inflow of groundwater into the mine would amount to 13 billion litres per year.

This inflow would create water table drawdown of around 120 metres, impacting an area of up to 200 square kilometres.

Drawdowns will put cost pressures on existing businesses, forcing new drilling and disruption.

What is at stake

Mining plays a small role in the economy of the Southern Highlands. The major employing industries are service industries, manufacturing and construction. Potential expansions put jobs and investment in the local economy at risk.

To find out more, read The Australia Institute's full report on coal in the Southern Highlands economy at www.tai.org.au