

Media release

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Warkworth decision another blow for dodgy economic modelling

Today's Supreme Court judgement reinforces the view that the economics of Rio Tinto's Warkworth project have never stacked up for NSW or the people of Bulga, according to The Australia Institute.

Two economists from The Australia Institute, Dr Richard Denniss and Rod Campbell, gave evidence in Bulga's successful Land and Environment Court case against the mine. Rio Tinto appealed this decision to the Supreme Court.

"Rio Tinto and their consultants have overstated claims about jobs and economic benefits of this project from the start," Executive Director of The Australia Institute said.

"Rio's economists told decision makers this mine, which employs 1,300 people, would somehow create 45,000 jobs – twice the number of people in Singleton! To come up with such numbers they used economic modelling the ABS describes as 'biased' and which the Productivity Commission describes as 'abused'.

"Today's judgement by the Supreme Court is another blow for the dodgy modelling so often employed by Big Coal," Dr Denniss said.

"Rio has claimed if it didn't get a 2 per cent increase in mining area it would sack 100 per cent of its workforce.

"Today's judgement shows that the NSW court system is able to see through these exaggerated claims," Dr Denniss said.