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TITLE: Mining's Contribution

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Politicians often claim that mining supports local communities such as Gloucester through job creation and attracting investment. However, Gloucester's experience has been one of sluggish growth, environmental degradation and job losses in agriculture - the town's biggest industry. Mining companies, including Yancoal and AGL, may tell communities that their business is the key to success, but in reality coal mining operations mostly offer a small number of short-term jobs at the expense of longer-term, more sustainable industries.

The recent experience in Gloucester suggests that mining may not be as beneficial as we are being led to believe. Judging from the rhetoric of mining advocates, one would imagine Gloucester's increasing dependence on mining investment would have attracted regional growth and development. Census data from 2006 and 2011, however, indicates that mining has not brought much good to the area. The national average of new jobs in each local government area was 8.32 per cent, while Gloucester grew at just 1.65 per cent. This low growth rate depicts a region sliding into decline, not showering in the glory of the resource boom.

The challenges faced by Gloucester's manufacturing and agricultural sectors can be linked to the mining boom. So long as mining investment continues to flow, jobs will be lost. Since the Stratford mine opened, jobs in agriculture and manufacturing have been crowded out of Gloucester. Between the mining boom's peak years of 2006 and 2011 more than 14 Gloucester farmers lost their jobs every year. This rate is accelerating so quickly that if trends continue, Gloucester agriculture will have gone from being the region's biggest employer in 1996 to employing nobody in 2023. With local mines scheduled for exhaustion in the very same year, Gloucester's patchwork economy may soon find itself without miners and without farmers.

It is tempting for non-economists hearing talk of Australia's two-speed economy to think that we are doing very well in some areas, and very poorly in others. They often presume we should squeeze every possible benefit from well-performing sectors to make up for struggling industries. But Australia's resource sector is why our agricultural and manufacturing industries are in decline. Between 2006 and 2011, mining employed 53 new workers in the Gloucester local government area. In the same period, the region lost 71 agricultural jobs and 35 manufacturing jobs. Gloucester cannot afford to sustain mining if every job it creates kills-off two

in these critical industries. Far from compensating for weak performances in other sectors, our overinvestment in mining is actively contributing to it. Those people who have – or had - jobs in agriculture and manufacturing in Gloucester can attest to this.

Gloucester is blessed with prime agricultural land. Sadly, because most of it is out of the new 2km CSG buffer zone, the NSW Government's halt on coal seam gas activities does not apply to it. A look across at the environmental impact of mining in Singleton or Mussellbrook reveals degradation so severe that former dairy farms now resemble moonscapes; devoid of vegetation and unable to serve as agricultural land. This means that once jobs in farming give way to mining operations, it may not be possible for them to return.

There is no doubt the mining industry makes a contribution to the Australian economy, but the agriculture, manufacturing and tourism industries do as well.

The issue for towns like Gloucester is one of timing. Does it focus on the short term boost that comes from new mining or gas extraction, or does it focus on what such expansion means for the community when resource prices fall and the miners move on?

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