

# Exporting coal myths

How a coal mine that destroyed a town now claims it will save one

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*New Acland Coal spent \$1.2 million on advertising and ran a social-media astroturfing campaign to give the appearance that they are economically beneficial to the local region.*

Discussion paper

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# Summary

The decade-long fight over the controversial Stage 3 expansion of the New Acland Coal (NAC) mine looks set to continue with the Queensland Supreme Court disagreeing with an earlier Land Court decision that the mine should not be granted approval, a decision followed by the Queensland Department of Environment and Science (DES).

Prior to the latest legal decision, the mine's owners, New Hope Group, have waged a prolonged campaign to influence decisions, policy and public opinion relating to the project. NAC's campaign promotes messages that overstate their economic significance to the region. The company spent \$1.2 million on media advertising in the twelve months to April 2018, in addition to traditional political lobbying, and 'astroturfing'.

Astroturfing is a marketing method designed to give the impression of grass-roots community support through websites and social media pages managed directly by New Hope or their paid lobbyists. Relating to the New Acland mine, there is a Facebook page, an online petition and a 'save regional towns' website. All three give the impression of widespread community support for the coal mine but were actually set up by the coal company itself.

None of this marketing effort is directed at NAC's customers, encouraging them to buy more of the company's coal. Instead, it is aimed at the public, media and political decision makers; a clear sign of rent-seeking behaviour. Rent-seeking is the business practice of investing resources to sway political or administrative decisions that provide windfall financial gains rather than using resources to invest in productive activities. Indeed, if the mine was as economically and socially significant as claimed, its value would be clear and this campaign would not be necessary.

The Acland Stage 3 expansion has been shown to present significant risks to groundwater resources and the local community. This is unlikely to change in the near future, regardless of what the miner posts on Facebook or what its lobbyists tell the media.

# Background

Acland is a ghost town. Since the early 2000s, the New Hope Group and its subsidiary New Acland Coal have bought nearly all of the township and removed most of the houses. The series of historical satellite images in the Appendix shows the rapid transformation of Acland from a rural town to a ghost town.

Regarding the demise of Acland, the Queensland Land Court noted:

The fact that Acland as a town in effect no longer exists cannot be dismissed, in my view, as a simple sideline to the matters in dispute. There is no doubt that there is quite a level of angst between NAC and the objectors, and in my view that angst on the part of the objectors has been significantly contributed to by the actions of NAC in causing Acland to functionally no longer exist.<sup>1</sup>

In the face of legal and community opposition to its expansion proposal, New Hope Group has embarked on an advertising and media campaign, including ‘astroturfing’ content on social media, to push the message that only it can save towns in the region.

Unlike a standard marketing campaign, these efforts are not focussed on increasing sales of New Hope Group’s coal. Instead they are directed at politicians, key constituents, and the wider public with the aim of swaying decisions of governments, and regulators. Such activities are referred to by economists as ‘rent-seeking’ — activities that gain economic advantage not by competing to sell goods and services, but by influencing public policy.

The following summarises the two main approaches to New Hope Group’s rent-seeking, which are both designed to give the impression of widespread community support and economic significance in order to sway future public policy decisions.

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<sup>1</sup> *New Acland Coal Pty Ltd v Ashman & Ors and Chief Executive, Department of Environment and Heritage Protection (No. 4)* [2017] QLC 24, [74] and [75].

# Media and lobbying

In twelve months to April 2018, New Hope Group was estimated to have spent \$1.2 million on television, print and radio advertising.<sup>2</sup> This expenditure made New Hope Group one of the biggest mining advertisers in the country, behind only the highly controversial Adani Mining company and the resources lobby group the WA Chamber of Minerals and Energy (which represents a number of mining companies), and BHP.

In addition to direct media advertising, Queensland's resource sector lobby group, the Queensland Resources Council (QRC) —headed by former federal resources minister Ian Macfarlane— has gained extensive free media coverage for its support of the mine.<sup>3</sup> Because of the QRC's lobbying efforts the mainstream media coverage of the court case and the government's environmental approval decision has widely implied that the mine is the jobs saviour of the region, with headlines such as "Let Acland coalmine expand or jobs will go, says New Hope" reflecting the general theme.<sup>4</sup> It is unclear how much New Hope Group pays to be a member of QRC, but the rent-seeking value of this free press would be extremely high.

Amidst this million-dollar advertising and media campaign there has been no attempt to promote the testimony of New Hope Group's own expert witness, who in court said the following.

Employment is a non-issue. Over a period of greater than a few years, total employment in an economy is determined by demography and the education and skill levels of the population. No individual project, whether a coal mine, agriculture or anything else will have, in itself, a lasting effect on employment.<sup>5</sup>

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<sup>2</sup> Nielsen. (2018). AdEx data sample.

<sup>3</sup> To indicate the scale of the free media coverage from QRC, a Google News search for the term "queensland resource council new acland mine" provides over 5,000 results as at 21 March 2018.

<sup>4</sup> The Australian. 18 July 2017.

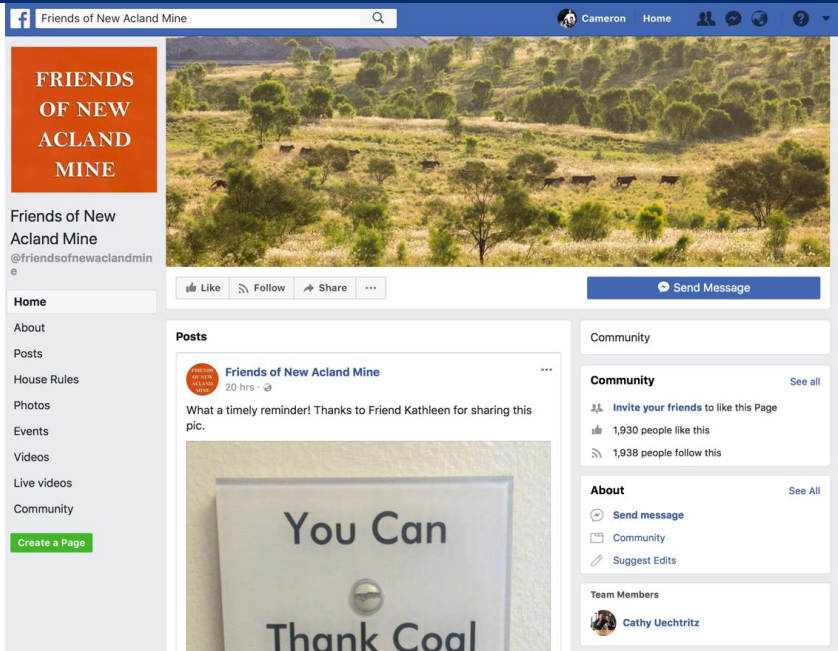
<sup>5</sup> *New Acland Coal Pty Ltd v Ashman & Ors and Chief Executive, Department of Environment and Heritage Protection (No. 4)* [2017] QLC 24, [1034].

# Astroturfing

Along with the traditional advertising, lobbying, and media campaigning, New Hope Group embarked on an internally managed astroturfing campaign focussed on social media platforms. These activities are designed to superficially appear like grassroots community-led organising rather than orchestrated commercial marketing.





There are three main tools used in this campaign. First is the Facebook group that was started in September 2016 to communicate with potential project supporters and disseminate pro-NAC messages. This group is run directly by New Hope Group as the Table 1 summary shows.

**Table 1: Facebook group details**

Name	Friends of New Acland Mine
URL	<a href="https://www.facebook.com/friendsofnewaclandmine/">https://www.facebook.com/friendsofnewaclandmine/</a>
Date created	1 September 2016
Screenshot	
Commercial Relationship	Moderated by New Hope Group's Media and Communications Manager Cathy Uechtritz.
Claims	No specific claims but used as portal to promote community meetings and commercial relationships with local businesses.

Later, in June 2017, a petition was started to call on the Queensland Minister for Environment and Heritage Protection Steven Miles (the Minister has since changed to Leeanne Enoch) to approve the mine due to its importance as an employer in regional towns. This time the town named is Oakey, and the claim is made that 700 local jobs rely on the mine, as shown in Table 2.

**Table 2: ePetition details**

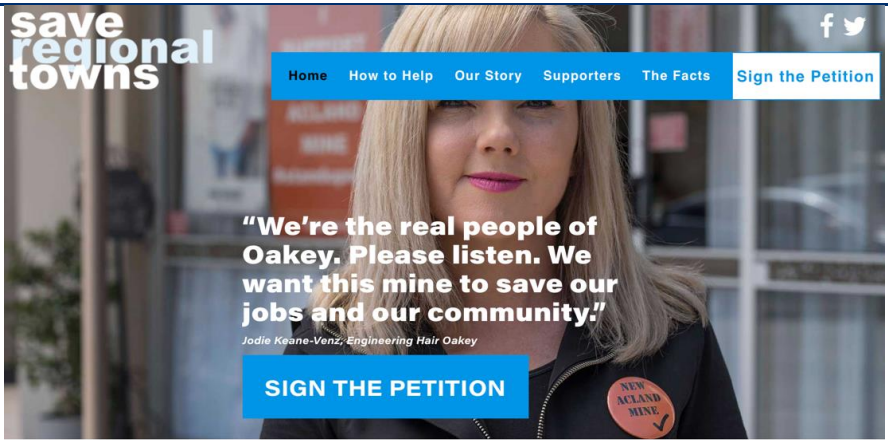
Name	Save regional towns – save Oakey
URL	<a href="https://www.change.org/p/save-regional-towns-approve-new-acland-stage-3">https://www.change.org/p/save-regional-towns-approve-new-acland-stage-3</a>
Date created	June 2017
Screenshot	<p>Petitioning <u>Queensland Minister for Environment and Heritage Protection Steven Miles</u> and <u>1 other</u></p> <h2>Save regional towns - save Oakey</h2> <p> <b>Naomi Tonscheck</b> Australia</p>  <p>There's a lot of talk about creating jobs in regional Queensland. But what about the 700 existing jobs we'll lose if New Acland mine shuts?</p> <p>We want to have our say about what we want for our community and our future.</p> <p><b>Sign this petition</b></p> <p> 7,097 7,097 have signed. Let's get to 7,500.</p> <p><b>Cameron Murray</b> Australia</p> <p>I'm signing because... (optional)</p> <p><input type="checkbox"/>  Share with Facebook friends</p> <p><b>Sign</b></p> <p><input checked="" type="checkbox"/> Display my name and comment on this petition</p>
Commercial Relationship	Created by New Hope Group's Community Liaison Officer Naomi Tonscheck.
Claims	700 local jobs will go if the mine shuts.

However, the Australian Bureau of Statistics shows that just 46 people work in the mining industry in the 4401 postcode, which contains Oakey and neighbouring

townships. In court, NAC submitted that at the time they directly employ 281 people<sup>6</sup>, and their economic expert witness conducted economic modelling showing a peak increase of about 350 jobs in the local region from the mine expansion.<sup>7</sup>

Most recent has been the creation of a website devoted to promoting the message that employment at NAC is critical to save regional towns. As shown in Table 3, this website was created by registered Queensland lobbyist Rowland Pty Ltd, though the lobbyist has not listed New Hope Group as a current client in their declarations to the Integrity Commissioner (for inclusion on the Lobbyist Register).

**Table 3: Website details**

Name	Save Regional Towns
URL	<a href="https://saveregionaltowns.com.au">https://saveregionaltowns.com.au</a>
Date created	29 September 2017
Screenshot	
Commercial Relationship	Approved by New Hope Group's Corporate Affairs manager Libby Beath. Website domain name created by registered lobbyist Rowland Pty Ltd.
Claims	700 local jobs will go if the mine shuts. Many claims of large financial benefits in the region, such "injects more than \$100 million into the regional economy each year.

The need for this astroturfing campaign at all suggests that perhaps the economic importance of the mine to the wider community is not quite as large as it is to New Hope Group shareholders (mostly Washington H Soul Pattinson, run by the Sydney billionaire Millner family).

<sup>6</sup> *New Acland Coal Pty Ltd v Ashman & Ors and Chief Executive, Department of Environment and Heritage Protection (No. 4)* [2017] QLC 24, [1028].

<sup>7</sup> Fahrer, J. (2016) *Expert witness report to Land Court of Queensland, New Acland Stage 3 coal mine*.



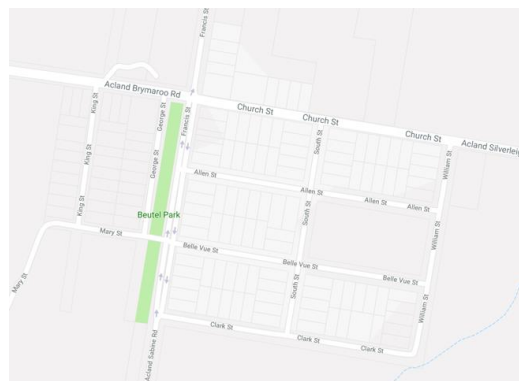
To the casual observer these online groups appear to show a great deal of community-led organisation but are actually run by New Hope Group to give the impression of widespread public support for their NAC Stage 3 mine.

# Conclusion

Businesses advertising their products to customers can be economically efficient but advertising to politicians is wasteful rent-seeking undertaken by businesses who cannot compete on economic merit alone.

Through both their spending on traditional media advertising and lobbying via QRC, as well as their attempts at astroturfing using online tools, New Hope Group has sought to turn decisions about the NAC Stage 3 project from being based on detailed analysis of environmental, social and economic evidence to being based on political and electoral sensitivities.

# Appendix: Acland aerial images<sup>8</sup>



<sup>8</sup> Sourced from Google Earth historical imagery.