TITLE: **'Sales pitches' gloss over impacts on agriculture**

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The mining industry is in the middle of an expensive new campaign to convince Australians that the growth of mining will not come at the expense of farming. In late 2011 Federal Opposition Leader Tony Abbott talked about respecting the rights of farmers and about protecting arable land from mining, but rejected calls to stop the miners accessing farmers' properties. As towns and local communities are finding out around Australia, the reality is that you can't have it both ways.

Shenhua Watermark Coal is currently seeking approval for their 30 year open cut coal mine in the Liverpool Plains. The region's millions of hectares of arable land produce upwards of 30 per cent of Australia's wheat, corn, sorghum and barley. The area has a long history of agriculture, but mining is relatively new. In 2011, there were 747 people in the local area working in agriculture compared with just 85 in the resources sector.

The Chinese coal mining giant has sought to allay local fears by insisting they will leave the place just as they found it. But critics such as Tim Duddy, head of the Caroona Coal Action Group, believes that, if something goes wrong over the 30 year life of the mine, "they could poison two thirds of the Murray-Darling system."

Shenhua says the mine is worth $900 million annually to the local economy and will generate a total of $1.5 billion for the NSW Government in royalties. The company promises the project will create 425 new full time jobs over the mine's 30 year lifespan. Normally, these jobs in mining come at the expense of ones in agriculture and manufacturing. But strangely, this time the miner's economic modelling suggests the project will actually create seven new farming jobs and a further 65 in manufacturing.

While the claims of economic modellers need always to be taken with a grain of salt the claims made in support of the Liverpool Plains mine need a truck full. Firstly, the modellers and the modelling used to support the Shenhua development are the same as those used by Rio Tinto to estimate the economic benefits of the Warkworth mine expansion in the Hunter Valley. The Chief Justice of the NSW Land and Environment Court found that the evidence provided by the miner's preferred experts did not support their conclusion that the economic benefits of the mine outweighed the social, environmental and economic costs to others in the community.

Many of the problems with Rio Tinto’s modelling are apparent in Shenhua’s. For instance, they assume the world coal price will be the highest it’s been in recent history, for 30 straight years. To justify their claim that the mine won’t cost any farmers their jobs, the model they used to create their projections assumes there is a ghost workforce of unemployed engineers, labourers, and transport workers, floating around Gunnedah, waiting for a mine to open. In reality, around the country the mining industry has drawn the most skilled workers away from the industries that paid for their training.

Shenhua’s 3000 page impact statement dedicates only a single page to its risk assessment. Normally, this part is where mining companies talk about what could go wrong and the measures to avoid these risks. Instead, Shenhua spends nearly the entire document touting the benefits of their coal project.

Around Australia the expansion of mining has imposed a wide range of costs on the agricultural sector. The high dollar that has accompanied the mining boom has reduced the prices our farmers get for their exports. The transport bottlenecks associated with increased mining exports have increased the prices farmers pay for their transport.

It’s easy to understand why those who will profit from the construction of a new mine would claim that mining and agriculture can co-exist, but the experience around the country also explains why many others would have their doubts. History suggests that the evidence presented in support of the mine is more of a sales pitch than a sustainable plan for the future of the region.

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