

4.12 ECONOMY

Synergies Economic Consulting Pty Ltd (Synergies) was commissioned by AARC on behalf of Taroom Coal to undertake an Economic Impact Assessment (Synergies 2012) of the proposed Elimatta Project. This document is included as Appendix I.

4.12.1 Description of Environmental Values

The current economic values that exist within the region in which Elimatta is proposed are summarised as follows:

Surat Basin Region

The economic base of the Surat Basin region is primarily agriculture and mining. In 2004-2005, agriculture accounted for 13.3% of the Surat Basin's Gross Regional Product (GRP), which equated to 18.2% of the total value of agriculture in Queensland. In 2004-2005 mining accounted for 9.9% of the Surat Basin's GRP.

Western Downs

Western Downs is a long-established agricultural area, and the economy has traditionally been based on agriculture, however, oil gas and coal exploration and exploitation will be key drivers of economic growth in this region in the future.

In 2005-2006 the region produced 4.9% of the total value of crops in Queensland, and 10.0% and 1.7% of the total value of Queensland livestock slaughtering and livestock products respectively. The total value of agricultural production in Western Downs in 2005-06 was \$622.0 million, 7.1% of the Queensland total. Crops accounted for \$204.5 million or 32.9% of the region's total value of agricultural production, livestock slaughtering accounted for \$410.5 million (66.0%) and livestock products were valued at \$7.0 million (1.1% of the total).

The manufacturing sector accounted for 6.1% of the GRP of the Western Downs in 2008-09 (which totalled \$1,875.3 million). The main manufactured products include white goods, air seeders, engines, Clark tanks and Bushman tanks. Strong growth prospect is evident in the electricity, gas and water supply sector, with 30.3% growth rate having been achieved in 2008-09. Professional services, transport and manufacturing also experienced greater than 15% annual growth.

In 2008-2009 the GRP of the Western Downs LGA was \$1.875 billion. Mining was the largest contributor to the GRP followed by Agriculture, Fishing and Forestry.

There are currently in excess of 47 existing, planned and proposed resource production projects in the Western Downs LGA that are currently and expected to remain key drivers of economic growth within the region for at least the next decade and beyond.

The economic feasibility of any future coal projects in the region is contingent upon the establishment of the Surat Basin Rail connection and the Wiggins Island Coal Export Terminal, which is currently being investigated.

Wandoan

Wandoan is a small settlement serving the surrounding cattle and wheat industries. It produces some of the best Prime Hard wheat in Australia. Wandoan is also a major cattle trucking centre.

With the recent resource development in the Surat Basin Energy Province, Wandoan is playing an increasingly important role in the emerging energy industry in the Western Downs.

Future Economic Opportunities

A number of economic strategies and development plans have been developed for the Western Downs (Table 4.148) to build the region's economic strength and enhance business opportunities. The proposed project will contribute significantly to these objectives by generating employment, training and business development opportunities for local communities and surrounding areas.

Table 4.148 Economic Strategy and Development Plans

Plan	Administering Body	Objectives
Western Downs Regional Council Town Planning Schemes (or land use planning)	The previous Councils that amalgamated to form Western Downs Regional Council — Chinchilla, Murilla, Taroom, Dalby, Tara, Wambo.	It aims to achieve important social, cultural and environment management goals. It is to make living and working environments safe, healthy, efficient and aesthetically pleasing through the arrangement of land uses. It also provides certainty for people by outlining to them what can be expected to occur in their local communities.
Business Growth Task Group 2010-2011 Action Plan	Western Downs Regional Council in partnership with six Chamber of Commerce from within the Western Downs Regional Council.	The Action Plan aims to develop a business climate in Western Downs that is "conductive to business". Some of the key elements focused on are: Reasonably priced lands; Adequate Infrastructure; A well-trained workforce; relevant workforce skills.
Queensland Skill Plan 2008-Skill Formation Strategy	Western Downs Regional Council, under the initiative of Queensland Government—the Department of Education, Training and Employment.	The skill formation strategy approach seeks to gain an understanding of workforce issues holistically, recognising that effective skilling can only occur when planned as part of the broader workforce context and the future of the industry or community. It also focus on identifying issues common to an industry or community that are best addressed by their combined efforts or that cannot be addressed as an individual enterprise.
South East Queensland	South East Queensland	Identify new and upgraded

Plan	Administering Body	Objectives
Country—Tourism Opportunity plan 2009-2019	Country	tourism product that meets future visitor expectations and demands; Identify the need for new investment in infrastructure that supports the ongoing development of tourism; Provide relevant research based information on tourism supply and demand; and provide an agreed focus and mechanisms for engagement with the tourism industry, infrastructure and private investors.
Rural Economic Development and Infrastructure Plan—Centres of Enterprise Initiative	The Queensland government has named six Queensland regions as Centres of Enterprise.	The initiative works to build the economic strength of Queensland's regions. It takes advantage of the region's unique strengths and key opportunities to make the region known worldwide for their innovation and expertise.
2009-2013 Corporate Plan	Western Downs Regional Council	It aims to shape the future direction of the region and services as a roadmap in the five years for broad strategic priorities. These priorities include People and Communities; Planning for Liveability; Utility Services; Empowering the team; Growth and Opportunity; Environment; Infrastructure; Business Systems and Technology.
Regional and Local Community Infrastructure Program (RLCIP)	The Federal Government	The program is part of the Nation Building Economic Stimulus Plan since 18 November 2008. \$2.144 million Federal Government grant was allocated for 28 projects across the region selected by Western Downs Regional Council.
Western Downs 2050 Community Plan	Western Downs regional council	It will be a guide for the future planning of the Council area. In particular those matters important to the quality of life—like how to get the best results for the communities from resource development activity and how to ensure that community services and facilities, health, education, sport and recreation continue to meet residents' needs.

4.12.2 Potential Impacts and Mitigation Measures

The construction and operation of the proposed Elimatta Project will result in a positive input into the local, Queensland and Australian economy. During construction of the mine facilities and railway the Project will contribute \$725 million to Gross State Product (GSP). During the expected production life, estimated to be in excess of 32 years, the Project will contribute \$564 million annually to GSP, of which, 42% will be generated in the Western Downs region. The Elimatta Project will also represent a source of State Government revenue through mineral royalties and payroll tax. Employees of the Project will also contribute to Commonwealth income tax and GST.

There is not expected to be any cost acquired by government with regards to the additional required regional infrastructure, in particular the Surat Rail connection and other export facilities. The rail connection is expected to be paid for by the users throughout the life of the Project. No significant impact on regional road infrastructure from the Project is expected.

Economic impacts on the local Wandoan, Western Downs and wider Surat Basin regional communities could be construed as adverse or beneficial depending on context. Potential impacts that have been identified as part of the economic impact assessment for the Wandoan and wider regional community from the Project that are viewed as beneficial include:

- Increased economic activity which will create and support business and employment opportunities within the local region;
- Increased regional population;
- Increased value of property in the region;
- Increased regional incomes by \$150 million during the construction phase and by an average of \$230 million per annum during the operational phase;
- The location of the Project and its need for the development of rail infrastructure is a positive factor for the future development of deposits west of Elimatta;
- The FIFO employment offered by the Project from the Wide Bay region will create employment opportunities and increased demand in a low performing region of Queensland;
- The proponent is a publicly listed company, enabling the local community the opportunity to invest in the Project through the purchase of company shares;
- Local manufacturing, retail, wholesale and transport business are potential service providers to the Project; and
- The Project is consistent with the economic development strategy of the region with analysis showing that moving from grazing to coal mining produces a significant increase in the value of economic output.

Potential impacts to the aforementioned communities that are seen as adverse include:

- Local businesses and the local economy may not directly benefit from the Project workforce in the supply of accommodation and meals etc, as the workforce will be accommodated on site;

- The forgone income to existing local graziers of grazing the 4,460 hectare Project site during the mine life, as well as the subsequent economic cost of post-mining land that is no longer suitable for grazing; and
- The impact to the natural environment. The cost benefit analysis assessed the value of all environmental impacts to be \$245 million in present value terms. The areas of impact are flora, fauna, visual amenity, aquatic ecosystems and greenhouse gas release. Mitigation strategies are addressed in relevant sections of the EIS.

The cost – benefit analysis that was undertaken concluded that the Elimatta Project will have a positive impact on the Queensland economy, and that the economic impacts within the region will be largely market driven. As such, there is no requirement to develop separate mitigation or enhancement strategies.

Taroom Coal will proactively monitor the economic environment and if it is apparent that the Project is causing any adverse economic impacts appropriate mitigation strategies will be developed and implemented.