



Identifying social and economic issues in the Bowen Basin

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The focus of this presentation

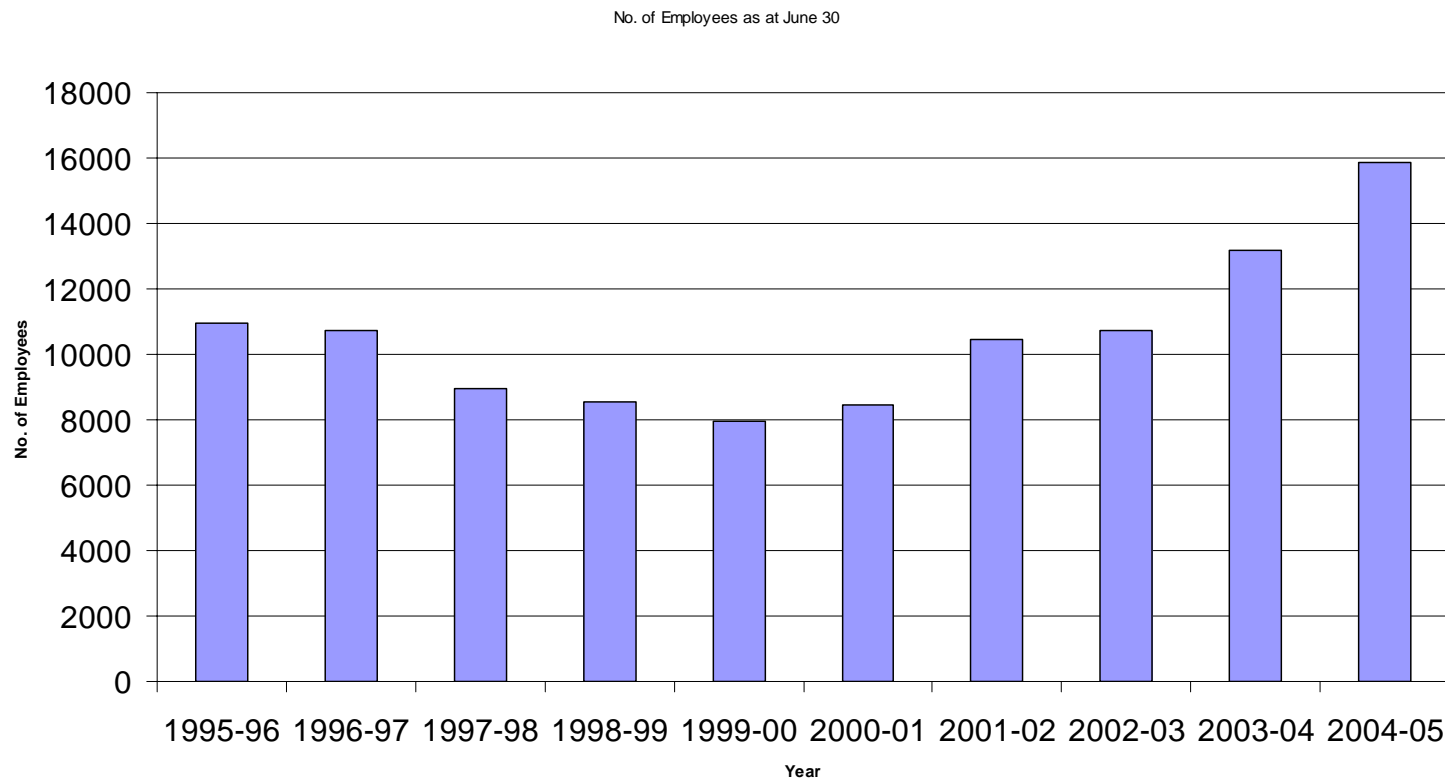
- Identifying the key economic and social impacts of mining
- Exploring some of the overlaps with environmental issues
- Providing some analysis of the relevant issues
- Key messages



The rollercoaster of current expansion

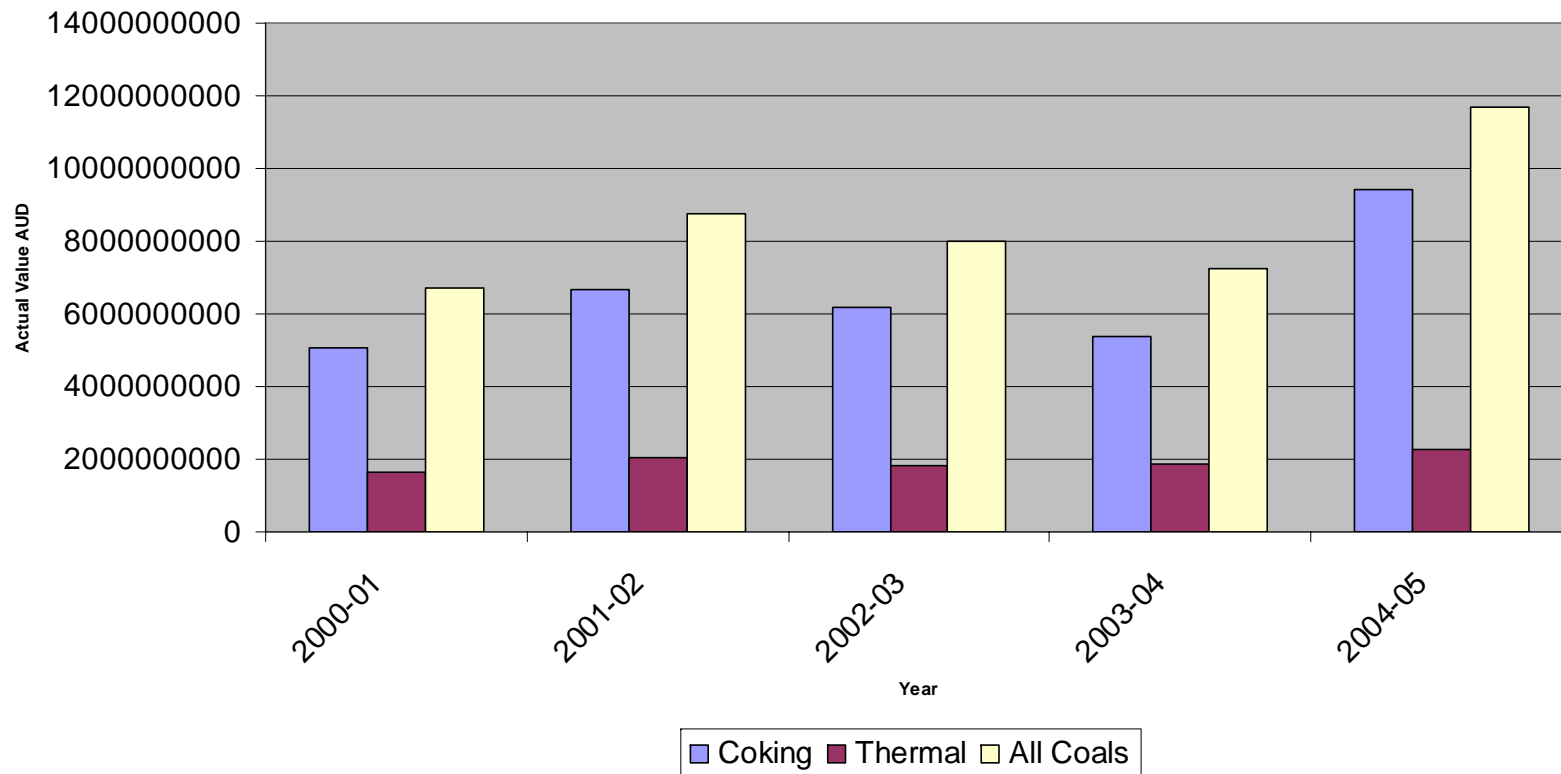
- Growth in almost all aspects of coal industry in past 2 years
 - Employment
 - Contractors
 - Construction
 - Output
 - New mining operations
- 7% growth per annum to 2010
- The industry would double production in less than 10 years

Qld Employment in coal industry



Value of exports

Total Value of Export per Year





Are we making the best of our opportunities in Central Queensland?

- At current rates, the coal industry will double in size from 2000 – 2010
 - Population change in the Bowen Basin ?
 - Wealth in the area ?
 - Developing service industries for coal ?
 - Minimising economic, social and environmental impacts?
 - Creating lifestyles that make people want to stay here ?



Growing pains - 1

- Dutch Disease – when a growing industry sucks labour and resources away from others
- Shortages in skilled labour now widespread
- Agriculture, Local Government, etc, find it difficult to retain staff
- Attracting staff is difficult



Growing pains - 2

- Housing prices – high rents and shortages make housing too expensive
- Economic impacts – hard to develop service and other industries when it is too expensive to live in the town
- Social impacts – people on lower incomes may have to shift



Six key lessons from social and economic forum

- 1. Mechanisms are needed to improve the supply of housing,
 - perhaps by stimulating private investment and building activity
 - to help address labour shortages
- 2. Need mechanisms to improve information about new development
 - between industry, state government and local government



Six key lessons ...

- 3. Planning is needed to cater for demographic and other changes
 - To provide additional services
 - To provide additional infrastructure
 - To develop regional hubs
 - To allow population shifts
- 4. Improved planning and response mechanisms should identify who is responsible for funding



Six key lessons ...

- 5. The EIS process used in the initial approval stage needs to be adjusted
 - To account for multiple and cumulative impacts
 - To account for operational changes
 - To revise projections at regular intervals during the mining cycle
- 6. The EIS process should be expanded to identify government responsibilities to addressing some of the impacts



Environmental impacts

- Direct impacts
 - Local populations – eg visual amenity
 - Productive land
- Indirect impacts
 - Native vegetation / rehabilitation / water quality
 - Local / regional / state populations
- Concerns about environmental issues intersect with social and economic issues



How do we evaluate community preferences?

- We don't !
- Currently decisions through regulatory / political / consultation process
- An economic approach would be to compare the costs of environmental losses with the productive benefits
- A social approach would try to identify consensus outcomes
- Should search for standards of environmental condition that maximise community welfare / approval



Do we use the right mechanisms?

- Current policies are deficient
 - Don't adjust development or rehabilitation standards to different site conditions or varying community preferences
 - Continue to allow asset and remnant vegetation loss without offsets
 - Don't allow offsets to divert some funding from rehabilitation to other important issues in region
 - Overly bureaucratic, little transparency



So what are we doing?

- Skill shortages ?
- Housing constraints ?
- Providing services ?
- Assessing impacts at regional rather than local levels ?
- Attracting new people to region ?
- Evaluating environmental tradeoffs more systematically?
- Using better mechanisms to allow development to offset environmental losses



The rollercoaster

- Industry has been in major expansion phase
- ... and government and service sector has been scrambling to keep up
- Are the policies we have now suitable for the current development boom?



Looking to the future

- To make the best of the opportunities, we need to
 - Identify the key impacts to address
 - Find ways of measuring and analysing them
 - Develop solutions that work
 - Develop processes that allow different players to work together