

At my last presentation to the PAC on 26 June, I outlined the direct link between coal mines and jobs in Gunnedah. A copy of my previous presentation is attached.

Today I would like to give you some idea of the effect on the local community from the downturn in trade for a small business like ours with a turnover of approx. \$1.5 million. I wish to stress at the start this almost all of this income is coming from outside Gunnedah. This is new income coming into our community from organisations such as Leighton, ~~Shenhua~~, ARTC, Theiss, BHP, Bis Industries, Idemitsu, Daracon, Downer, Emeco, GHD, Hitachi, Honeywell, Komatsu, Mondelphous, Orica, Pacific National, Pegasus, Railcorp, Santos and Whitehaven, to name a few.

With the strong interest in coal mining now our business is currently running an occupancy level of around 80%. If we were to return to the bad old days in the early part of this century with no coal mines, we would be lucky to be running at 40%, but let's assume I am a good businessman and can achieve that figure.

We currently employ one permanent part time staff and six casuals and pay around \$3,500 a week in wages. At 40% occupancy, we would have to dismiss two receptionists currently earning \$1,500 per week, and work demand would disappear for two housemaids currently earning \$1,000 per week.

So four workers would lose their jobs and \$2,500 per week would disappear from the Gunnedah community. That is \$2,500 a week less to pay rent, and buy groceries and petrol. This is equivalent to \$130,000 per year.

But that is just the start.

Our food and beverage costs would go from \$40,000 per year to \$20,000. That is \$20,000 per year less going into Coles, Woolies and local suppliers.

My customers currently charge back to their motel accounts \$56,000 a year for dining at local clubs and restaurants. This figure does not include those who pay the restaurants directly. The downturn would mean at least \$28,000 less going to the local clubs and restaurants.

Our general operating costs of \$40,000 a year would drop to \$20,000. So there would be \$20,000 a year less going into Gunnedah for general supplies, laundry, cleaning, and bed linen.

Our occupancy costs for electricity, gas, and R&M of \$90,000 would halve. So there would be \$45,000 a year less going into the Gunnedah community from this source.

Thank you for the opportunity to present my views. I speak here today as a recent arrival to Gunnedah who has invested a considerable amount of money in a local business.

Coal has been mined in Gunnedah since Gunnedah Colliery No 1 opened in 1895. Since then, coal mining and farming activities have coexisted harmoniously.

The Shenhua project is estimated to have a net social benefit of 1.5 billion dollars to Australia in the form of federal tax payments, state royalties and local contributions to services and infrastructure. It will create hundreds of local jobs directly and many more indirectly. I emphasize this is a net benefit arrived at after discounting for costs and is expressed in today's dollars.

In particular, the mine will create 1,200 direct and indirect jobs, including over 750 flow-on jobs created to support the mine and supply goods and services. If any doubt the veracity of these claims, I would point out this cost benefit analysis has been peer reviewed by a highly respected professor at the Australian National University. (Dr Jeff Bennett, Professor of Environmental Management, Crawford School of Public Policy).

Construction workforce will peak at 600 jobs, and the operating workforce will build from 200 in the first year to 600 permanent peak workforce in year 21.

With regards to local employment, people recruited from outside the region will be required to live within an hour's drive to the mine.

All towns within an hour's drive of Breeza will benefit.

An additional 10 to 40 people are expected to move each year into Gunnedah, Liverpool Plains, Tamworth, Narrabri and Upper Hunter shires. This growth will generate from 4 to 16 new houses each year in each shire. Most of the increase will be in Gunnedah.

Many will remember the downturn in Gunnedah with the closure of the mines in 1998 and the dark years until the resurgence a few years ago.

I have spoken to many who saw Gunnedah at its lowest for the first eight years of this century. Business confidence was at rock bottom, jobs were scarce, shops were closing everywhere, and people, especially young people, left the town in droves looking for employment and a better life.

The main reason for this? The closure of the last of the coal mines. Since 2008, there has been a gradual steady improvement.

The main reason for this? The renewed interest in coal mining in the Gunnedah basin.

Any issues about environmental and ground water effects should be addressed by science, not emotion, and for this project, the science is in. There will be no long term adverse