



Mining and the Hunter Valley

The Hunter

The Hunter is home to more than 630,000 people living in a mix of urban centres and rural communities.¹ The region is home to a diverse economy with significant industries including coal mining and power generation, viticulture, agriculture, thoroughbred horse breeding and tourism.

Diversified Regional Economies

Sustainable mining is fundamental to the future of the minerals industry. The safe and environmentally responsible development of mineral resources is central to maintaining the industry's 'social licence to operate'.

Mining has coexisted with other industries such as agriculture and thoroughbred horse breeding for generations in the Hunter and will continue to do so. Successful coexistence relies on mutual respect between neighbouring industries, ongoing two-way communication and transparent and equitable regulatory and planning systems.

Diversified regional economies are more resilient to business and commodity cycles and provide greater career choices and opportunities, particularly for young people in the community.

The Minerals Industry in the Hunter

Mining has been a feature of the Hunter for over 200 years. The first coal exports from the Hunter Region set sail for Bengal (then in India, now Bangladesh) aboard the barque *The Hunter*. Convict coal mines were operating around Newcastle from the early 1800s.

The NSW Minerals Council (NSWMC) represents the State's \$23 billion minerals industry. Coal accounts for 85% of minerals production value. It is the number one NSW export by value, worth an estimated \$17 billion in 2008-09. Approximately 92% of all NSW electricity is produced from coal.

The mining industry represents 2.6% of Gross State Product and contributed \$1.28 billion to State Government revenues through royalties in 2008/09. This contribution is vital to the provision of a wide range of public services as well as health, education, police and emergency services.

The mining industry extends far beyond the people who work in our mines to include professional services, research and development, training, support services, transport and employment services. It is estimated that for every person directly employed in the mining industry more than four jobs are created in supporting businesses. In the Hunter, it is estimated that mining companies pay local suppliers more than \$2 billion each year.

According to the latest environmental attitudes survey from the Hunter Valley Research Foundation, a huge 60% either agreed or strongly agreed that the benefits from the coal industry in the Upper Hunter outweighed any negative impacts.

Mineral Resources in the Hunter

The Hunter is currently the biggest coal producing region in the NSW, providing 64% of production. In 2008-09 the Hunter produced 97 million tonnes (Mt) of saleable coal.² 90Mt of coal worth nearly \$15 billion was exported from Newcastle to international destinations like Japan, the Republic of Korea, Taiwan and China in 2008-09.³ The Hunter Valley Coal Chain is made up of 14 coal producers, 35 mines, 24 rail load points, and 15,000 loaded rail trips each year, ending at the Port of Newcastle, the biggest coal port in the world.

Employment in the Hunter

Mining and agriculture both make significant contributions to the Hunter, through their economic contribution and their social impacts. 14,300 people are employed in mining in the Hunter. Agriculture, forestry and fishing have a combined total of 7,300 people employed in the Hunter.⁴

In total 4% of the Hunter's workforce is employed in the mining industry. This can be contrasted to the agriculture, forestry and fishing industry which in total has 2% of the Hunter's workforce. The proportion of people employed in mining in the Hunter varies across the Local Government Areas. The highest proportion is in the Upper Hunter with a mining workforce of 15.5%. The heaviest concentration within the Upper Hunter is in Singleton where nearly 20% are employed in mining. Other heavy concentrations include Muswellbrook, the Upper Hunter Shire, Cessnock, Maitland and Gloucester. The Upper Hunter has a large proportion of people engaged in agriculture, forestry and fishing. 20% of

the Upper Hunter Shire's population and 9% of the Muswellbrook LGA are employed in this industry.⁵

Investment in the Hunter

Growing global demand and long-term strong commodity prices have attracted booming investment in the Hunter, with many new projects and developments in the region. Investment by coal producers, port and rail operators in the Hunter Valley is expected to total approximately \$5-10 billion over the next five-to-ten years. It is estimated that private investment by the mining industry will boost coal export revenue by \$6.5 billion by 2016, create 25,000 jobs over the next six years and generate additional royalties of \$500 million per year for the NSW Government.⁶

Assessment of Mining Project Proposals

Mining operations are required to prepare detailed environmental and social impact assessments as part of mining projects proposals which are assessed by the Department of Planning. These comprehensive studies must address the full range of potential impacts such as those on water, biodiversity, noise, air quality, greenhouse gas emissions, subsidence, significant natural features and amenity.

It is common for mine plans to be significantly altered from the initial proposal before they are approved, in order to respond to community concerns and to satisfy the NSW Government that mining impacts are minimised to an acceptable level.

Public exhibition during the assessment process and pro-active consultation programs undertaken by mining companies ensure that members of the community have the opportunity to make comment and raise any concerns they might have in relation to the project. Every activity in the mining process, from exploration to mining and eventually to mine site rehabilitation is carefully managed to mitigate potential impacts on surrounding communities and neighbouring industries.

Regulation of the Mining Industry

Every mine in NSW is subject to strict conditions prescribed by the NSW Government. There are 572 pieces of legislation, regulation and guidelines which govern the industry.

What the NSW Minerals Industry is Doing to Minimise Dust

Air quality standards in and surrounding mining operations are subjected to rigorous scrutiny and are regulated in NSW by the Department of Environment, Climate Change and Water (DECCW) against national standards. The industry also pursues continuous innovation in dust mitigation as part of its commitment to best practice and social responsibility.

Mine sites are required to have comprehensive systems in place to manage dust and to minimise its impact through various methods, including:

- Creating physical boundaries such as wind breaks, retaining and planting natural flora and creating no-go zones, to inhibit the spread of dust
- Progressive mine rehabilitation during mining operations are aimed at keeping the area of disturbed land to a minimum, further reducing dust levels
- Water carts on coal handling areas and haul roads, water suppression on coal stockpiles, dust suppression equipment on drill rigs and conveyors, as well as scheduling blasting to avoid extreme wind and unfavourable wind conditions.
- Air quality monitoring at mine sites to gather site-specific information including meteorological data which assists in controlling and managing emissions. This air quality data then made available to the public.

See NSWMC case studies for more detailed examples of dust management strategies in action.

The mining industry is partnering with NSW Health and other government departments to address community concerns. NSWMC for example, is working with DECCW to improve public access to air quality information through a regional air monitoring network in the Upper Hunter. DECCW already operates air monitoring networks in certain locations around NSW, including the Lower Hunter.

The mining industry is committed to embracing our environmental and social responsibilities, by fostering safe mining practices that reduce the risk of health impacts on our employees and neighbouring communities.

Disclaimer: This fact sheet is intended to provide summary information only. It does not intend to be comprehensive or to provide specific legal advice. Given the changing nature of legislation, regulations, program rules and guidelines, there is a potential for inherent inaccuracies and potential omissions in information contained in this fact sheet. All information in this fact sheet is provided "as is" with no guarantee of completeness or accuracy and without warranty of any kind, express or implied. In no event will New South Wales Minerals Council Limited, any related members, consultants or employees thereof be liable to anyone for any decision made or action taken in reliance on the information in this paper or for any consequential damages.

¹ As at Mid 2008, sourced from ABS, *Population by Age and Sex, Estimated Resident Population*

² Sourced from I&I NSW

³ Ibid.

⁴ As at November 2009, sourced from the ABS, *Labour Force Australia*

⁵ As at 2007-08, sourced from the Hunter Valley Research Foundation, *Newcastle and the Hunter Region 2008-09*,

http://www.hvrf.com.au/pages/hvf/hunter_region_yearbook.php

⁶ New era for Hunter Valley coal exports: Press Release The Hon Paul McLeay, Minister for Ports and Waterways – 1 January 2010