The Australia Institute
Research that matters.
Economics of Wallarah 2 project
Overall the W2CP is estimated to have net benefits to the community of $1,519M and hence is desirable and justified from an economic efficiency perspective.

Gillespie Economics, 2008
Overall, the Project is estimated to have net benefits to Australia of between $346M and $531M and hence is desirable and justified from an economic efficiency perspective

Gillespie Economics 2013
Further, the Department does not believe that any of the [Economists at Large] criticisms of the CBA are determinative, and consequently do not alter the broad conclusion of the CBA that the project would result a net benefit to the community.

*DPI, 2014 Wallarah 2 Environmental Assessment Report*
The CBA calculates the net community benefit (NCB) of the project to be $531 million, which comprises:

- $207 million in mining royalties;
- $134 million in taxes; and
- $186 million in social/economic values of employment.

DPI, 2014 Wallarah 2 Environmental Assessment Report
Royalties
[Department of Industry and Investment] cannot assure the people of NSW that all royalties owed are being paid in full. This is because it does not have sufficiently robust systems and processes to identify what is owed and to make sure it is paid.

NSW Auditor General, 2010
Federal taxes
Social value of employment
In the context of a fully employed economy there may be some contention about the inclusion of this value, particularly as it requires benefit transfer from a study of an existing mining operation in another region of NSW. Consequently, sensitivity testing that excludes this value has also been undertaken.

Gillespie Economics 2013
The Choice Modelling study, which provides the values for the non-market benefits and costs, was deficient in limiting the survey respondents to residents of New South Wales, and providing inaccurate, indiscriminate and uninformative information to survey respondents which affected their choices and values.

*Preston CJ 2013, Warkworth case judgement*
The techniques available for placing an economic value on natural [and social] features are still relatively crude and, in the Commission’s view, their application usually falls well short of the standard required to withstand rigorous scrutiny.

Maules Creek Planning and Assessment Commission
Input-output model results
• $79M in annual direct and indirect household income; and
• 805 direct and indirect jobs.

Gillespie Economics, 2013
Model based economic impact assessment [such as IO analysis] is not a substitute for a thorough economic analysis of a policy. The appropriate method for analysing policy alternatives is benefit cost analysis (BCA).

NSW Treasury, 2009

“Biased” ABS 2011

“Deficient” Preston, Land and Environment Court, 2013

“Abused” Productivity Commission 2013
The Department notes the concerns raised by [Economists at Large] about the value of the IOM methodology in general, and accepts that the methodology has limitations.

Wallarah 2 Environmental Assessment Report