

# KCCG Topic Briefing

The following information has been collated by Kingaroy Concerned Citizens Group. Its purpose is to summarise the issues associated with the proposed Kingaroy coal mine. The information has been sourced from KCCG members and internet research.

## Property Prices

Is there an optimum distance for a town to be close enough to a coal mine to benefit from the industry, but not so close as to be adversely affected by the environmental factors of dust, noise, lights and visual disturbance?

KCCG has conducted research on towns in NSW and QLD that are located at varying distances from coal mines. Our research indicates that there may be an optimum distance in terms of property prices.

Consider two completely different ways to view the effect of a coal mine location on house prices. One would be to use the common sense or intuition, and the other to use statistics.

### The Common-sense Test

Suppose two identical houses were for sale in an area such as Taabinga Village, which is likely to be severely impacted by the proposed mine just 1.5 kms away.

One is for sale **without the prospect of a mine ever being developed**. It enjoys rural views, operating bore water, and certainly **no** mine dust, noise, lights or view to 100m high mine overburden pile.

The other is for sale **after the mine is developed**. It has views to the mine, the mine noise is very audible, it has very frequent dust from the mine, and the bore is interrupted by 100m deep severing of the recharge aquifer at the mine.

Most would agree that the first example is the more desirable property and would attract the higher market price.

### The Statistics Test

Alternatively, consider some ABS statistics. On the drive into the Hunter Valley, its dominant coal industry is apparent.

**In Tamworth**, you are 120 kms from a coal mine, less than 1% work in mines, it is mainly a rural economy, household income is low, and median house prices are low.

**In Scone**, you are **25kms from a coal mine**, 12% of people drive daily towards Muswellbrook mines for employment, there is **also** a strong rural economy, household income is high, and median house prices a very high.

**In Muswellbrook**, you are just 4kms from a coal mine, 23% of people work in the mines, there is very high household income, but this town has some of the lowest house prices in the Hunter Valley.

Here are the ABS figures:

	<b>dist. from mine</b>	<b>% pop. in mining</b>	<b>Med Household Income</b>	<b>Median house price</b>	<b>Income/ house price ratio</b>	<b>1 yr trend % growth</b>
<b>Tamworth</b>	120	<1	644	245,000	380	1.45
<b>Scone</b>	25	12	1109	330,000	298	3.60
<b>Denman</b>	17	18	1255	298,000	237	-0.16
<b>Muswellbrook</b>	4	23	1404	281,125	200	-1.32
<b>Kingaroy</b>	<b>25</b>	<b>4</b>	<b>950</b>	<b>250,000</b>	<b>263</b>	<b>2.50</b>

(Source: <http://muswellbrook.localstats.com.au/demographics/nsw/hunter-valley/upper-hunter-valley/muswellbrook>)

**The figures suggest that:**

- the closer you are to a coal mine (first column),
- the more people work in a coal mine (second column),
- the more money per household (third column),
- the less house value nearer a mine (fourth column),
- the less you spend in your town on housing compared to your income (fifth column).
- Note the rising property prices away from mine, and falling near mines.
- The optimum mine to town relationship is a mixed farming and mine population about 25 kms from a mine, which is what Scone (and Kingaroy) is now.

## Commentary Notes

The following notes may also apply to these figures and examples:

- Mine workers with sufficient incomes may choose to buy a very standard and easily resold house near their mine employment (such as Muswellbrook), but choose to commute back to their main residence, family and more desirable locations such as Newcastle or Sydney after completing their weekly shift.
- The statistics suggest that houses very close to mines are of a low value and are likely to be of a utility variety.
- The income to house price ratio is higher away from the mines. This may indicate that people who locate permanently in a town are prepared to commit not just to quality local housing, but may also suggest they spend more of their disposable income in the town.

**Conclusion:**

The optimum mine to town relationship is a mixed farming and mine region about 25 kms from a mine. The example found was Scone in the Hunter Valley. It is the same distance from a mine that Kingaroy currently is from the existing Meandu mine.

Development of the proposed Kingaroy mine would create conditions more like Muswellbrook, which figures indicate are not generally desirable.