MEDIA RELEASE
MINERALS COUNCIL OF AUSTRALIA

Support minerals industry to grow instead of punishing regional communities

Statement from Tania Constable, Chief Executive Officer

Any attempt by the Queensland government to increase coal royalties would risk that state's reputation as a world-leading mining jurisdiction.

The Queensland coal industry is a major contributor to government revenues, with the recent improvement in commodity prices lifting royalty payments to $3.7 billion in 2017-18 – a 10 per cent increase since the previous year.

A record $4.2 billion in coal royalties is expected to flow into Queensland government coffers this financial year.

Deloitte Access Economics research for MCA found that across Australia, mining companies paid $12 billion in royalties to State Governments in 2017-18 – more than three times the amount paid a decade ago.

In that same year, the Australian minerals industry paid $18.6 billion in company tax – equal to 22 per cent of all company tax collected for that year. In total, Australian minerals companies paid $224.8 billion in company tax and royalties in the 11 years between 2007-08 and 2017-18.

The resources industry also supports sustainable regional communities through jobs, supply chain opportunities and infrastructure investment, and all Queenslanders through royalties revenue.

Instead of further penalising an industry that is already highly taxed, the Queensland government should focus on delivering essential reforms in project approvals that could lead to greater investment and an expansion in production of all commodities.

Not only would this lead to higher government royalty income over the long term, it would support more jobs in regional areas where mining is often the main driver of economic activity.

Based on its own forecast commodity prices, for every 10 million tonnes of new metallurgical coal production that comes online the Queensland government could receive an additional $200 million in royalty revenue.

With more than 80 million tonnes of metallurgical coal projects planned for development in Queensland, it is clear that by reducing red tape and project approval delays the government could do much more to bolster its finances in a way that grows regional communities instead of punishing them.

Changing taxation regimes for any mineral creates more uncertainty for investors, companies and communities.

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