Date Introduced: 13 November 1979
House: House of Representatives
Presented by: Hon. W. Fife, Minister for Business and Consumer Affairs

Purpose

To reduce the export duty on high quality coking coal extracted from an underground mine, an open cut mine at a depth of more than 60 metres, a new open cut mine commencing production on or after 30 June 1980, or a major extension to an existing mine commencing production on or after the same date. The duty is to be reduced from $3.50 per tonne to $1 per tonne.

To exempt from the payment of the duty coal with an ash content of more than 12% (steaming coal).

Background

The export duty on coal was introduced as part of the 1975-6 Budget in response to large windfall profits being made at that time due to dramatic rises in coal prices.

The Liberal/NCP Government announced its intention to abolish the duty in the 1976-77 Budget but later decided to phase it out. The duty was thought to be undesirable because it was applied at the same rate regardless of the viability of each project.

Reduction of the duty was consequently announced in the 1976-77 Budget from $6 to $4.50 per tonne for high quality coking coal and from $2 to $1.50 per tonne for other coking coal. The duty on non-coking coal was abolished.

In the 1977-78 Budget it was announced that the duty was to be further reduced from $4.50 to $3.50 per tonne for high quality coking coal and from $1.50 to $1.00 per tonne for other coking coal. It was also announced at that time that the duty would be abolished in 1978-79. This did not eventuate.

The current Bill further reduces the duty.
Main Provisions

Clause 3 amends s.6 to provide for the reduction in the rate of duty on high quality coking coal from $3.50 to $1.00 per tonne when the coal is produced under 4 different conditions - underground, open cut at a depth of more than 60 metres, and new open cut mines or major extensions to open cut mines declared as such by the Minister for Trade and Resources and which commenced production on or after 1 July 1980.

Clause 4 which amends s.7 specifies on exemption from export duty for coal defined in this clause, commonly known as steaming coal.

Clause 5 amends s.8 to enable the Minister for Trade and Resources to declare new coal mines or major extensions to mines for the purpose of s.6. Further provision is made in this clause for the Minister to revoke any earlier declaration of a major extension to a coal mine if a substantial increase in production has not taken place or has only been temporary.

The commencement date is deemed to have been 1 November 1979 (clause 2).