



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

Federation Chamber

ADJOURNMENT

Mining

SPEECH

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Questioner
Speaker Cobb, John, MP

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Mr JOHN COBB (Calare) (12:31): I rise today to speak about mining in the Lithgow region in Calare and the threat that this Greens driven Labor government is posing for this very vital industry. Along with the power stations, mining is the largest employer in Lithgow and it is absolutely crucial to the viability of our city. Yesterday I received some good news, finally, for the local mining industry. The environmental protection and biodiversity conservation referral for the Springvale mine north of Lithgow has finally been approved by the minister for the environment. This essentially allows for an extension of operations at the mine. The problem is that it has taken the minister an entire year to come to this decision, at great cost to the mine's owner and causing incredible angst amongst the 350-plus employees and contractors and ongoing costs of half a million dollars a day to Centennial Coal.

In April 2011, Centennial submitted the EPBC referral for the Springvale mine to the minister following already lengthy discussions with the department. Since then, Centennial Coal have been forced to wrangle with Labor government bureaucracy and red tape in trying to seek approval to extend their operations. All the while, the 350-plus employees were on tenterhooks, not knowing if their jobs were secure. Concern was also mounting about the local power station's ability to meet its annual electricity generation targets because it relies on this mine for coal of a particular bent. Further delays led to the sterilisation of 1.5 million tonnes of coal, with a profit impact on Centennial Coal of approximately \$26 million. That is not to mention the loss of \$10.9 million in state royalties and \$14 million in federal taxes.

It is incomprehensible why this Greens driven Labor government—and I mean driven by the Greens party—would risk the viability of one of the largest underground coal producers in New South Wales. Fortunately for Centennial Coal, their employees and the local community, approval was finally granted yesterday, and now they can get on with the job.

But, just as the mine has overcome one Greens driven Labor government hurdle, another looms: the mining tax. The minerals resource rent tax will hit mines in the Lithgow region hard. As this ill-conceived tax goes before the Senate, the mines of Lithgow fret. Mines in Lithgow fall into that fateful category of the smaller and mid-tier coalmining companies that will be paying the tax straightaway. Under the tax, local mining businesses will be instantly less competitive against the larger mining bodies. They will continue to pay royalties on production while also being subject to increased compliance burdens. Our mining companies already pay double taxation through company taxes and state government royalties, and since the mining tax does not replace any of these taxes it will be triple taxation of Lithgow's and Australia's miners. We oppose Labor's mining tax because it is bad economics to single out a single sector with extra taxes. The mining industry is too important for Lithgow and too important for Australia to have its viability threatened, as this government seems hell-bent on doing. It is amazing what a government will do to keep one vote in the House of Representatives, irrespective of whether it is in Australia's interests or not. Given that this is also supposed to be about relief for small business—and the Treasurer makes a big play of that—let me tell you that Lithgow is not very different from the rest of Australia. Two-thirds of small business will get nothing out of this because two-thirds of businesses are partnerships or they are small traders. You only get this huge one per cent if you are a company, and very few small businesses are companies.

Lithgow, like the area of Parkes or Orange, is very big on mining. Most of regional Australia has its issues with mining, but it has also been very good to us in terms of jobs and in terms of bringing the resources to us. I do not know why any government would be so hell-bent on hitting hit us with a mining tax and a carbon tax at the same time and basically for the same purpose: to make life harder for regional Australia in particular.