

# NSW BEYOND 2015

A plan for a strong mining sector and a strong NSW economy



## Why a strong mining sector is critical for NSW

Mining is a strategic industry for the NSW economy with strong community support.

Mining underpins regional economies across the state and has significant flow on benefits to other industries. The NSW mining industry:

- Is the state's largest export industry by value;
- Directly employs 21,500 people, and helps sustain the jobs of a further 79,500 people indirectly;
- Directly spent over \$13.6 billion on goods and services, wages and salaries, local government payments and community contributions in NSW during 2013/14;
- Supports over 8,200 businesses throughout NSW;
- Generated \$1.3 billion in royalties in 2012-13, with \$7.4 billion forecast over the next four years; and
- Provides the coal needed to deliver over 80 per cent of the electricity used in NSW.

There is strong community support for the mining industry and almost universal public recognition of its economic importance.

Research on community attitudes to mining in NSW conducted by Crosby Textor in 2013 and again in 2014 found that 70% of people surveyed support mining in NSW, and almost 90% of respondents agreed that mining is an important industry for the future of our state.

## Policy priorities to support mining and build a stronger NSW economy

The following policies are the minimum needed to support a strong mining sector for NSW.

### 1. Fix the planning system to protect and create jobs

Capital investment in mining in NSW has fallen by more than half over the last two years. Much of the weakening of investor confidence in NSW can be directly linked to uncertainty surrounding the NSW planning system. Fixing the planning regime must be a priority for the next NSW government. This will require policies that:

- Streamline the process and shorten assessment timeframes, including for modifications;
- Return democratic accountability by restoring Ministerial decision making on State Significant Development;
- Remove or Reform the Planning Assessment Commission and address gaps in mining policy;
- Establish a lead agency with sufficient authority to drive faster outcomes;
- Provide certainty on infrastructure contributions for mining projects; and
- Ensure that decision makers have access to advice from Treasury.



Hunter Miner Mel Upward and her family.

## 2. Better infrastructure and services for mining communities

Resources for Regions is an important initiative that provides critical public infrastructure funding to regional mining communities that contribute so much to the NSW economy. We have long advocated for the expansion of eligibility for Resources for Regions to include more NSW mining communities.

While the criteria for the Resources for Regions program has been expanded, it is disappointing that some key NSW mining communities still remain ineligible for the program.

To address this, we are calling on an incoming government to:

- Expand the Resources for Regions program to meet the infrastructure backlog in mining regions;
- Properly investigate a Royalties for Regions style program, funded from existing royalty revenue;
- Ensure regional NSW receives its fair share of infrastructure spending by committing to major investment in projects outside of Sydney.

Mel Upward works at Coal & Allied's Mount Thorley Warkworth mine.



## 3. Better policies to support exploration

Without exploration, mining has no future in NSW. The process from exploration to mining can take a decade or more, so the job-generating mines of the future need to be discovered now.

Exploration is a highly speculative activity, with a low percentage of exploration programs discovering resources suitable to mine. To balance this financial risk explorers need stable, certain and efficient regulatory processes and appropriate Government support to give them the confidence to invest in NSW.

Mineral exploration expenditure is close to a decade low. Many explorers are simply finding NSW too hard and have moved to more favourable jurisdictions in other States and internationally. This has serious long-term consequences for the NSW economy, and regional NSW in particular. The Government must act to ensure:

- NSW is open for business and welcomes leading practice exploration, with support for geoscience information and investment attraction;
- A tenure system that reduces administrative burden and streamlines processes, rather than adding more red tape;
- A land access regime that is clear and fair, recognising that the vast majority of mineral exploration is low-impact and short term; and
- An arbitration system that supports good faith negotiation and settles the rare disputes between explorers and landholders with minimum time, cost and inconvenience for all parties.



## **4. Stronger protection from illegal access safety risks**

For too long, professional activists have been allowed to put themselves and others at risk by indulging in illegal activities to promote their political causes.

While everyone is entitled to their views, acts of trespass, sabotage, and intimidation are illegal and dangerous, and should not be tolerated, and the men and women working in the mining industry should not have to put up with the safety risks involved.

To address this, we are calling on an incoming government to:

- Increase penalties for illegal access activities to ensure they are an effective deterrent;
- Protect mining workers and companies from the legal risks involved in illegal protest action by ensuring those who indulge in illegal activity are legally responsible for their own safety; and
- Ensure NSW taxpayers are not forced to fund the legal costs of activists who choose to break the law.

## **5. Best practice service delivery, regulation and taxation**

Like any industry, NSW mining recognises the need to pay our way. However with over 80 different fees, taxes, charges and levies applying to mining in NSW, the burden is getting heavier at a time when the industry can least afford it. This growing tax burden is putting our state at a significant disadvantage when it comes to attracting investment.

At the same time, and despite government commitments to reduce red and green tape, the industry's regulatory burden continues to grow.

In implementing taxation and regulatory policies, an incoming government must:

- Commit to industry consultation on any proposed policy changes;
- Introduce and publish key performance indicators for all regulatory and approvals processes;
- Ensure environmental regulation is based on science, facts and evidence;
- Remove inequitable levies and taxes, streamline fees and levies, and fully account for industry fees paid for service delivery; and
- Limit any future industry fee and levy increases to CPI.

## 6. Implement the NSW Minerals Industry Action Plan

The NSW Minerals Industry Action Plan has been prepared by senior representatives and experts from the NSW minerals industry and presents a roadmap to secure the sustainable growth of the NSW minerals industry.

The Action Plan addresses key strategic issues for the industry including transparent processes and integrated policy; fiscal certainty; and developing skills and supporting infrastructure.

Any incoming government should adopt all recommendations outlined in the Action Plan.



23,000 fans turned out to support two great teams at the 2014 Voice for Mining Family Day - the Newcastle Knights and NSW miners. This year's Voice for Mining Family Day will take place on 28th March - Election Day.