



Miners can't count on man in the street

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THE mining sector backlash against the Minerals Resource Rent Tax and the hike in Western Australian royalties for iron ore fines has not seeped through to the broader Australian public, according to a recent poll that reveals many people believe mining companies pay too little in royalties and taxes.

The David Utting Communications/UMR Australian Mining Monitor survey has found that 41% and 38% of the 1000 people surveyed believed miners were paying too little in taxes and royalties respectively.



This compared to 33% and 34% who believed miners were paying about the right amount in taxes and royalties and 7% and 6% of respondents who believe miners pay too much.

Those who were more likely to believe miners paid too little were Greens and Labor voters, university educated, low income earners and respondents aged 30 or over, while those more likely to think miners paid too much were Coalition voters, young people and high income earners.

Unsurprisingly, 43% of respondents from the mining heartland of Western Australia believe miners paid the right amount or too much in royalties to the WA government compared to 36% who believe they paid too little.

This compared to less mining-focused states such as New South Wales, where 39% of those surveyed thought miners paid too little in royalties compared to 38% who thought they paid too much.

The poll comes in the wake of a backlash from the mining sector over the MRRT, which is due to take effect on July 1 next year and was created out of talks between the federal government and mining heavyweights BHP Billiton, Rio Tinto and Xstrata last year.

The 150 page-plus document is based on recommendations of the Policy Transition Group, led by Resources Minister Martin Ferguson and ex-BHP Billiton chairman Don Argus, which the federal government accepted in March this year.

The proposed tax will apply to iron ore and coal projects at a tax rate of 30%. Miners with profits less than \$50 million per annum will be exempt from the tax.

The MRRT is expected to raise some \$7.7 billion in revenue in its first two years.

The former resources super-profits tax announced in May last year was expected to deliver \$12 billion in revenue, while the watered down MRRT was initially expected to raise \$10.5 billion.

Meantime, nearly half of those quizzed in the survey believe Australia's mining industry is a good corporate citizen, with only one-in-three saying it is not, while more than nine in ten Australians say the mining industry makes an important contribution to the economy.

Coal, iron ore, gas, gold and uranium were all seen by at least two-in-three respondents to be making an important contribution to the Australian economy.

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