

Most Australians say mining industry not taxed enough: survey

The mining industry must sell itself better, according to an analysis of polling commissioned by David Utting Communications and undertaken by respected researcher UMR. David Utting explains how the survey delivers up some home truths and surprises on corporate citizenry, tax and gold.

Despite the mining sector backlash against the Minerals Resource Rent Tax (MRRT) and the recent increase in Western Australian royalties, a significant chunk of the Australian public still believes that both state royalties and federal taxes on the mining industry should be higher.

The David Utting Communications/UMR Australian Mining Monitor survey carried out in late June 2011 – with a robust sample size of 1000, and rigorous methodology – gives a rare, accurate and comprehensive insight into what Australians think of the mining industry.

In a wake-up call to the industry, a big slice of Australia believes the mining industry should be giving more back in royalties to states and taxes to the federal government.

41 per cent of people surveyed believe miners are paying too little in federal taxes and 38 per cent say the same of state royalties.

This compares with 33 per cent and 34 per cent who believe miners are paying about the right amount in taxes and in royalties respectively. Seven per cent and six per cent of respondents believe that miners pay too much.

From this, the lesson for the miners is that they risk putting too much faith in their own rhetoric on the MRRT and are too comforted by the large volumes of it moving through the media.

But the reality is that despite it clearly resonating with industry, a very large slab of the punters don't buy it and favour bigger imposts on the industry.

This leaves the door open for policy-makers to exploit this community perception and increase taxes and royalties further down the track.

It really is up to the industry to sell itself more effectively via its actions and clear and reasonable arguments rather than being reliant on the decibels of a loud but less than fully effective drumbeat.

Unsurprisingly, segments that are more likely to think that miners pay too little are: Greens and Labor voters, university educated, low income earners (under \$40k per annum), and respondents aged 30 or over.



Marion 8050 Dragline at work (Ensham Mine – QLD)



Blackwater Mine – Pit view Blackwater QLD

Segments that are more likely to think that miners pay too much/about right are: Coalition voters, young people and high income earners (over \$100k per annum)

Also without surprise, 43 per cent of respondents from the mining heartland of Western Australia believe miners pay the right amount or too much in royalties to the state government compared to 36 per cent who believe they paid too little.

This compares with less mining-focused states such as New South Wales, where 39 per cent of those surveyed think miners pay too little in royalties compared to 38 per cent who think they pay too much.

But in another wake-up call to the mining industry, only 49 per cent felt mining companies were good corporate citizens. Nearly two in three Coalition voters say the mining industry is a good corporate citizen, but half of Greens voters say it isn't.

In Australia's mining epicentre of Western Australia, the mining industry is very well-regarded with three in five

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Western Australians considering the mining industry a good corporate citizen, but only about two in five respondents in New South Wales thinking the same.

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

More than half think that coal, iron ore and gas are making a very important contribution.

The surprises

Uranium has a rump segment (16 per cent) of strong naysayers, but the industry, despite its very small size, is ranked up there with the big commodities in terms of importance.

Surprisingly, gold also has a rump segment of strong naysayers at 13 per cent, at about the same level of uranium.

This should ring alarm bells for the gold industry as it reveals an articulate reservoir of untapped criticism, quite capable of being mobilised against the industry and possibly a greater chance of policy-makers not listening to the industry.

Quite similar to the anti-uranium demographic – left of centre, young and educated – these people’s negativity on gold could be explained by the argument that gold is a luxury commodity requiring expensive extraction but performing fairly non-utilitarian functions in our economy and society.

Another surprise is the importance of the young demographic to mining.

Under 30s are big backers of the industry and the

strength of their commitment to the industry is very strong.

Their belief in the industry would be expected to be high given many young people can use the industry to crack good pay, but their level of support is even higher than what this would seem to indicate.

Not all is bad news – the survey confirms that at a time when taxes and royalties are key elements of national economic debate and mining and the environment are hot-button issues, Australians are generally quite comfortable with the mining industry, economically speaking.

Ninety-three per cent of people polled believe the industry makes an important contribution to the economy. Of those, 63 per cent say it is a ‘very important’ contribution.

It is rare for the general public to see such detailed survey data on the Australian mining industry.

And the survey has vigorous methodology with a nationally representative sample of people aged 18+. Data is weighted and matched with Australian Bureau of Statistics (ABS) census data to ensure the sample is nationally representative.

The attitudes of Australians will be regularly measured by the David Utting Communications/UMR Australian Mining Monitor.

With the mining industry playing a key role in the national economy, the Monitor will inform people of public attitudes to the issues that matter in the formulation of mining policy. [Link](#)

David Utting Communications is a specialist consultancy advising in the minerals, energy and renewable energy sectors. David Utting is also secretary of the Yilgarn Iron Producers Association.

The full survey is available at www.davidutting.com



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