

Question on Notice

No. 582

Asked on 21 August 2013

MRS SCOTT ASKED THE TREASURER AND MINISTER FOR TRADE (MR NICHOLLS)—

QUESTION:

With reference to the increased coal royalty rates announced in the 2012-13 budget that were meant to deliver revenue of \$1.6b between 2012-13 and 2015-16 and the write-down in royalties of \$548m in 2012-13—

Will the Treasurer advise, (a) whether this royalty increase generated any additional revenue last financial year, (b) how many Queensland mining jobs were lost as a result of this decision and (c) what the expected return is from this revenue measure from 2012-13 to 2015-16 in the projections for the 2013-14 Budget?

ANSWER:

- (a) The measure did raise additional revenue in 2012-13.
- (b) ABS data shows that 27,500 people were employed in the coal mining industry in Queensland, on average over the last three quarters of 2012-13 (the period in which the higher royalty rates applied). The coal mining category of employment covers jobs mainly focused on the extraction component of mining.

This represents growth of 2,300 jobs (9%) on the corresponding period a year earlier.

- (c) Based on the 2013-14 Budget assumptions, it is expected that the royalty measure will raise \$1.05 billion over the period 2012-13 to 2015-16, compared with \$1.6 billion estimated at the time of the 2012-13 Budget. This reduction primarily reflects downward revisions to the outlook for the coal price in line with revisions to Consensus Economics price forecasts between August 2012 and April 2013.