



MEDIA RELEASE

Mining Related Councils steadfast on royalties campaign, learn from Parkes' success

Representing 20 Local Government Areas (LGAs), the Association of Mining Related Councils (AMRC) held its quarterly meeting on Friday, hosted by Parkes Shire Council. Delegates from Wollongong, Wollondilly, Campbelltown, the Hunter, Central West, far West and North West NSW came together, unified by mining.

The proposed 'Royalties for Regions' scheme was the hot topic, following the Association's recent meeting with NSW Deputy Premier, the Hon. Andrew Stoner on the issue. The Government was said to be standing by its Restart NSW funding package. However, the mining related councils are undeterred. They are unanimously behind the 'Royalties for Regions' scheme and voted to invite Mr Stoner to their next meeting in Singleton in August.

"Our priority is a 'Royalties for Regions' scheme, whereby 30 percent of the NSW Government's mining royalties revenue would be handed over to the regions affected by mining," AMRC Chair and Gunnedah Shire Deputy Mayor, Cr. Colleen Fuller said. "We're not going to give up. We're here for the long haul."

Mining related Councils have common and individual cost burdens exacerbated by the mining industry, which they cannot afford. "The present approach from the NSW Government is no longer enough. We need long-term sustainable funding in order to plan for the future," Cr Fuller said.

The royalties for regions scheme would be more transparent, targeted and funded by far more secure revenue streams than the Restart NSW funding package, according to Cr. Fuller. It would cover all councils where mining is occurring, as well as councils close enough to be affected.

Royalties collected by the NSW Government in 2008/09 totalled \$1.28 billion, over \$985 million in 2009/10 and \$1.24 billion in 2010/11. According to NSW Treasury, total mining royalties are expected to reach \$8.5 billion over the next four years, with about 85 percent coming from the coal sector. Royalties for Regions revenue would provide an estimated \$300 million for regional communities. While the NSW Government might be low on funds, the sum represents less than half a percent of the State budget. "The Government has allocated \$2.5 billion over the next 3.5 years for Sydney's north-west rail link, while regional councils struggle to maintain vital local roads," Cr. Fuller said. "The proposed scheme would help meet infrastructure needs and further facilitate the mining industry for the betterment of the NSW economy, while delivering positive outcomes for mining related councils."

It is proposed that a guaranteed return to Local Government should be one third of the funding pool or a minimum of \$100 million annually. A Regional Projects Board would distribute two-thirds of the Royalties for Regions funds towards regional projects, needs and services, which are not State responsibilities. The return of royalties to a zone would be based on population distribution and a need for services in an area.

Located 27km north west of the 12,000 population Central West town of Parkes is the Rio Tinto Northparkes copper and gold mine. The Northparkes mine and the success of its community engagement was inspirational for the visiting councils. The mine employs 700 workers, 90 percent of whom reside locally (and 100 percent of senior management). This localism has meant that despite the size of the Australian pioneer of block cave mining, Parkes does not have inflated rents and real estate, as seen in more recently mining affected communities in the North West, such as Gunnedah, Boggabri and Narrabri. According to Parkes Shire Council's Mayor, Ken Keith and Deputy Mayor, Cr. John Magill the secret to success has been communication and cooperation from the beginning.

This advice was echoed by Cr. John Martin, an AMRC Executive Committee member from Singleton Council, which has over 4 decades of experience with mining. More NSW Government mining royalties come from the Singleton area than any other LGA - over \$500 million in the last financial year. Yet, Cr Martin said his council struggles to meet costs in hard infrastructure such as local roads and bridges, or soft infrastructure like childcare and other social services. "The Council itself has had to expand to cater for what's happening."

Other issues discussed in the AMRC meeting included skill shortages and the social impacts of mining.

For further information, contact AMRC Chair, Cr Colleen Fuller: 0429 420 290 or 02 6742 0290

Caption:

Delegates of the Association of Mining Related Councils, who toured and learnt from the Northparkes mine approach.

**Association of Mining
Related Councils Inc.**



NOTE:

The Association of Mining Related Councils comprises:

Bland Shire Council, Blayney Shire Council, Broken Hill City Council, Campbelltown City Council, Cabonne Shire Council, Cobar Shire Council, Gloucester Shire Council, Gunnedah Shire Council, Lachlan Shire Council, Lithgow City Council, Liverpool Plains Shire Council, Mid-Western Regional Council, Narrabri Shire Council, Newcastle City Council, Orange City Council, Parkes Shire Council, Singleton Council, Upper Hunter Shire Council, Warrumbungle Shire Council, Wollondilly Shire Council and Wollongong City Council.

[as at April, 2012.]