MEDIA RELEASE

Local Govt & Mining bodies' new relationship

Two peak mining related bodies in NSW have a new level of understanding. The Association of Mining Related Councils (AMRC) welcomed the NSW Minerals Council to its recent meeting and a relationship, considered important and productive by both parties, was strengthened. AMRC Chair (and Wollondilly Mayor) Cr Mitchell and Minerals Council CEO, Stephen Galilee said that they might not always agree but an open dialogue between their respective organisations, with respect to each other's positions, will be mutually beneficial.

Cr Mitchell said the Association and its member councils may collaborate with or seek support from the Minerals Council with funding applications in the future.

One organisation is a collective of NSW Local Government Areas (LGAs) affected by mining, the other represents the State's mining operations. They both desire to see a greater proportion of the NSW Government's mining royalties flow back to the communities where they come from; where the mining impacts are a cost burden on councils. A Royalties for Regions scheme, with a locked-in percentage of the royalties revenue for regional communities, remains a priority for the Association of Mining Related Councils. It is supported by the Minerals Council and individual mining operations.

"We don't want to see an increase in the royalties that the mines pay to the State Government. We just want our fair share," Cr Mitchell said.

Such sentiments are whole-heartedly supported by the mining sector. "The AMRC is, potentially, a very powerful association of councils. It's voice needs to be raised as loudly as possible, in support of mining related communities. The Minerals Council is keen to be part of that process. We have areas of common ground, such as infrastructure funding, where working together, will strengthen our cause and achieve good outcomes for mining communities. When I visit mines around NSW, I'm told that up to around 80 percent of their workers are locals. So, infrastructure and services are important to us," Mr Galilee said. "A fair-dinkum Royalties for Regions program is something that the NSW Government really should be looking at. It would provide certainty for local councils, for our industry and also for the State Government, that a consistent income stream is going to be there to fund infrastructure where mining occurs."

Instead of Royalties for Regions, the NSW Government introduced its Resources for Regions program, which is fed by arguably unreliable revenue streams. The process by which the O'Farrel Government decides which LGA's benefit from this program is unclear and subjective at best, according to AMRC Chair, Col Mitchell. The Minerals Council CEO described Resources for Regions as 'a good start'. "\$160mil. spread across mining affected areas of regional NSW over four years, is a very modest amount of money. I believe the assessment process for determining eligibility for the Resources for Regions program is flawed. Questions remain in relation to the criteria for which councils are chosen to be in the program, how mining impacts are being measured and how fair or arbitrary the management of this fund is."

"My role within the Minerals Council and that of the organisation itself is not just to be a representative of the mining industry but also to convey the views of mining related communities back to our members," he said. "Working with the Association of Mining Related Councils, we can make sure the views of communities are effectively heard across the mining industry in NSW."

"Concerns regarding Voluntarily Planning Agreements (VPAs) are coming from our member companies as well as local councils. The process does not provide certainty to either party at present and it is variable, inconsistent and unpredictable. Councils wonder where the next round of funding might come from and our members don't know what they are going to be up for. Coming up with a better process will be difficult but will reduce angst for mining companies and affected communities. "

The Association comprises 22 councils, from Wollongong to the Hunter, the Central West, west to Cobar and Broken Hill and North West to Gunnedah and Narrabri. They represent 19 percent of the land in NSW and 11.4 percent of the population. Mr Galilee said that the Minerals Council's member companies spent around \$9.3 Billion on wages and salaries, goods and services in the last financial year. "Mining accounts for a significant portion of the State's economy; about a quarter of the Hunter's economy, for example," he said. "We accept, as an industry, that we have to take our obligations seriously. We can always do better and working with the Association of Mining Related Councils, we will."

Caption:

AMRC Chair (& Wollondilly Mayor) Cr Mitchell and Minerals Council CEO, Stephen Galilee shake on a constructive relationship.

For further information, contact AMRC Executive Officer, Don Tydd: 02 6775 3844 or 0418 681 320.



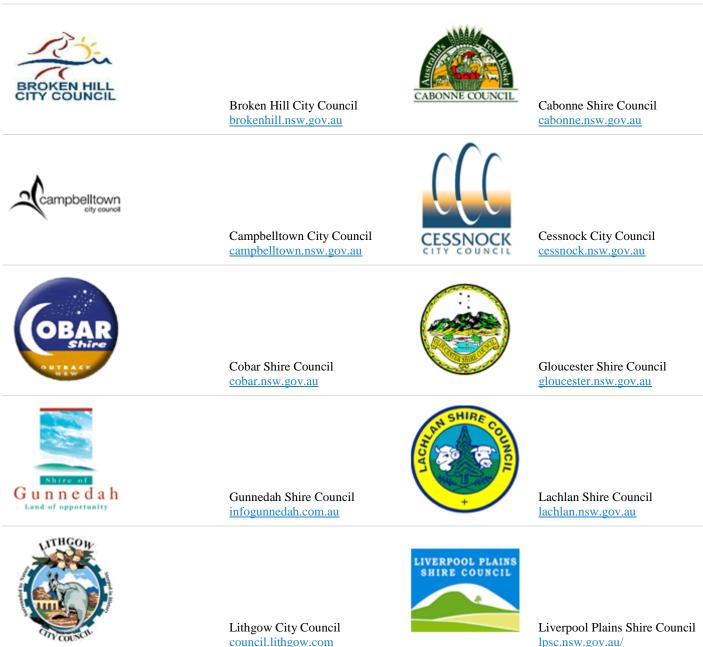
Members

BLAND SHIRE COUNCIL west wyalong

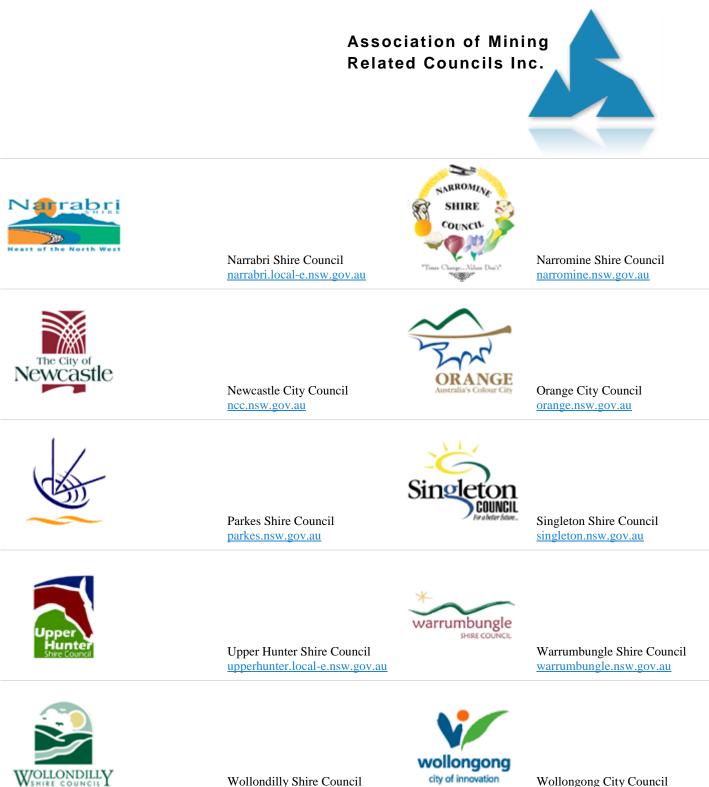




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