

Mining subsidies vs public services

Subsidies research from The Australia Institute

Federal government

In 2015 the federal government gave \$4 billion in subsidies to the mining industry. This included;

- \$2.26 billion in fuel subsidies
- \$460 million in tax write-offs for capital works
- \$580 million in accelerated depreciation for mining company assets
- \$320 million in R&D tax concessions

State governments

A 2014 review of state government budgets found that over a six-year period, state governments in Australia spent \$17.6 billion supporting the mineral and fossil fuel industries.¹ Queensland's assistance was by far the largest of all states, totalling \$9.5 billion, followed by Western Australia's at \$6.2 billion.



The Australia Institute subsequently outlined Newman Queensland Government spending of \$2 billion on the Abbot Point Coal Terminal and facilitating coal exports through the port.²

So on average over six years the state governments spent almost \$3 billion a year supporting mining activities. When this is combined with federal subsidies, state and federal governments spent about \$7 billion a year supporting mining.

¹ <http://www.tai.org.au/content/mining-age-entitlement>

² <http://www.tai.org.au/content/queensland-taxpayers%E2%80%99-2-billion-abbot-point-subsidies-bill>

Other recent research

According to recent research by the IMF, Australia provides fossil fuel subsidies equivalent to \$1,712 per person per year, or around \$40 billion a year, or 2% of GDP.³ This includes air pollution, global warming and congestion. It also includes \$5.5 billion or 0.25% of GDP as direct fossil fuel subsidy or foregone tax revenue.

A new study by the Carbon Tracker Initiative found Australia subsidises coal production by \$4 a tonne.⁴ According to Tim Buckley, one of the report authors, this includes “tax breaks and deductions, a history of underpaying governments for the right to mine coal, collusive tendering practices for public assets, decades of government funding for carbon, capture and storage and “clean coal” research, as well as capital and funding subsidies for coal rail and port infrastructure and coal-fired power plants.”⁵

Environment Victoria and Market Forces list over \$10 billion of subsidies to fossil fuel use and exploration per year.⁶ (Around \$1 billion was associated with the carbon price, and so is no longer relevant.)

³ <http://www.imf.org/external/pubs/ft/survey/so/2015/new070215a.htm>

⁴ <http://www.carbontracker.org/report/coal-subsidies/>

⁵ <http://blueandgreentomorrow.com/2015/09/16/subsidies-to-coal-production-boost-emissions-impede-cleaner-fuels/>

⁶ <http://environmentvictoria.org.au/newsite/sites/default/files/useruploads/MF%20and%20EV%202013%20polluter%20handouts%20assessment%20FINAL-4.pdf>

Polling

Every dollar subsidizing mining or fossil fuel use is a dollar not spent on public services like hospitals and schools. Over the last year, as part of ongoing research the Australia Institute has conducted numerous polls on public attitudes towards this trade off. Overwhelmingly, in every poll, the majority of people favour redirecting subsidies towards public services.

Newcastle - September 2015

ReachTEL conducted a survey of 764 residents across the federal electorate of Newcastle during the afternoon of 6th September 2015. Residents were asked:

Would you support or oppose taking the subsidies that federal and state governments currently give to the mining industry and redirecting them to essential services like hospitals and schools?

	Total
Support	69.9%
Oppose	19.4%
Undecided	10.7%

National – July 2015

The Australia Institute conducted its quarterly online poll of 1408 Australians aged 18 or older, from 7 July – 22 July 2015.

Question:

Do you agree or disagree with redirecting federal and state government subsidies from the mining industry to essential services like health, education and infrastructure?

	Total	Male	Female	18-24	25-34	35-44	45-54	55-64	65+
Strongly agree	40%	43%	37%	36%	35%	42%	39%	47%	41%
Agree	38%	37%	39%	32%	40%	33%	41%	37%	44%
Disagree	5%	6%	5%	8%	5%	7%	6%	4%	4%
Strongly disagree	2%	3%	1%	2%	2%	2%	2%	1%	2%
Not sure/Don't know	15%	11%	19%	22%	18%	17%	13%	12%	10%

Queensland state electorates – June 2015

Stafford

ReachTEL conducted a survey of 619 residents across the Queensland state electorate of Stafford during the evening of 18th June 2015.

Question:

Would you support or oppose taking the subsidies that federal and state government currently give to the mining industry and redirecting them to essential services like hospitals and schools?

	Total	Female	Male	18 – 34	35 – 50	51 – 65	65+
<i>Support</i>	63.4%	59.2%	68.0%	55.2%	73.3%	65.9%	57.3%
<i>Oppose</i>	14.4%	15.5%	13.2%	15.6%	13.3%	10.6%	17.3%
<i>Undecided</i>	22.2%	25.3%	18.7%	29.2%	13.3%	23.5%	25.3%

	Total	Labor	LNP	Greens	Und
<i>Support</i>	63.4%	81.4%	34.1%	81.1%	73.7%
<i>Oppose</i>	14.4%	4.2%	30.0%	3.8%	10.5%
<i>Undecided</i>	22.2%	14.4%	35.9%	15.1%	15.8%

Cairns

ReachTEL conducted a survey of 634 residents across the Queensland state electorate of Cairns during the evening of 18th June 2015.

Question:

Would you support or oppose taking the subsidies that federal and state government currently give to the mining industry and redirecting them to essential services like hospitals and schools?

	Total	Female	Male	18 – 34	35 – 50	51 – 65	65+
<i>Support</i>	67.3%	74.4%	60.1%	72.0%	72.8%	58.5%	61.0%
<i>Oppose</i>	13.0%	6.5%	19.7%	15.2%	6.1%	16.0%	15.3%
<i>Undecided</i>	19.6%	19.1%	20.2%	12.8%	21.1%	25.5%	23.7%

	Total	Labor	LNP	Greens	Und
<i>Support</i>	67.3%	79.0%	51.9%	78.3%	68.4%
<i>Oppose</i>	13.0%	3.7%	25.3%	17.4%	2.6%
<i>Undecided</i>	19.6%	17.3%	22.7%	4.3%	28.9%

Federal electorates – April 2015

ReachTEL conducted a survey of 4,382 residents across various Federal electorates during the evening of 27th April 2015. The samples were as follows:

- Eden---Monaro – sample: 724
- New England – sample: 713
- North Sydney – sample: 728
- Sturt – sample: 749
- Wentworth – sample: 735
- Wide Bay – sample: 733

Each were asked

“Would you support or oppose taking the subsidies that federal and state government currently give to the mining industry and redirecting them to essential services like hospitals and schools?”

Eden Monaro

	Total	Female	Male	18 – 34	35 – 50	51 – 65	65+
Support	77.1%	80.3%	73.8%	75.7%	77.3%	79.5%	75.0%
Oppose	6.2%	4.9%	7.5%	7.2%	5.8%	3.8%	9.0%
Undecided	16.7%	14.8%	18.7%	17.1%	16.9%	16.7%	16.0%

	Total	Liberal	Labor	Greens	Und
Support	77.1%	65.0%	83.9%	98.7%	71.1%
Oppose	6.2%	12.7%	2.1%	1.3%	4.4%
Undecided	16.7%	22.3%	14.0%	0.0%	24.4%

New England

	Total	Female	Male	18 – 34	35 – 50	51 – 65	65+
Support	75.9%	74.0%	77.8%	70.1%	78.3%	78.4%	76.4%
Oppose	7.2%	5.7%	8.6%	5.1%	9.5%	7.9%	5.1%
Undecided	17.0%	20.2%	13.5%	24.9%	12.2%	13.7%	18.5%

	Total	Liberal	Labor	Greens	Und
Support	75.9%	65.3%	85.8%	95.0%	81.3%
Oppose	7.2%	10.4%	1.2%	1.7%	8.3%
Undecided	17.0%	24.4%	13.0%	3.3%	10.4%

North Sydney

	<i>Total</i>	<i>Female</i>	<i>Male</i>	<i>18 – 34</i>	<i>35 – 50</i>	<i>51 – 65</i>	<i>65+</i>
<i>Support</i>	65.2%	69.9%	60.0%	59.9%	68.5%	66.9%	66.4%
<i>Oppose</i>	14.2%	9.9%	18.8%	24.3%	7.8%	13.4%	8.6%
<i>Undecided</i>	20.6%	20.2%	21.2%	15.8%	23.7%	19.7%	25.0%

	<i>Total</i>	<i>Liberal</i>	<i>Labor</i>	<i>Greens</i>	<i>Und</i>
<i>Support</i>	65.2%	55.6%	70.8%	90.9%	59.3%
<i>Oppose</i>	14.2%	16.9%	12.0%	5.5%	11.9%
<i>Undecided</i>	20.6%	27.5%	17.2%	3.6%	28.8%

Sturt

	<i>Total</i>	<i>Female</i>	<i>Male</i>	<i>18 – 34</i>	<i>35 – 50</i>	<i>51 – 65</i>	<i>65+</i>
<i>Support</i>	66.3%	70.0%	62.1%	69.6%	61.8%	69.0%	63.4%
<i>Oppose</i>	8.3%	7.8%	8.8%	4.0%	14.2%	8.8%	9.8%
<i>Undecided</i>	25.4%	22.2%	29.1%	26.4%	24.0%	22.2%	26.8%

	<i>Total</i>	<i>Liberal</i>	<i>Labor</i>	<i>Greens</i>	<i>Und</i>
<i>Support</i>	66.3%	54.7%	77.4%	85.2%	65.4%
<i>Oppose</i>	8.3%	13.8%	4.6%	0.0%	3.8%
<i>Undecided</i>	25.4%	31.5%	18.0%	14.8%	30.8%

Wentworth

	<i>Total</i>	<i>Female</i>	<i>Male</i>	<i>18 – 34</i>	<i>35 – 50</i>	<i>51 – 65</i>	<i>65+</i>
<i>Support</i>	72.5%	67.5%	78.0%	78.1%	68.5%	73.2%	65.5%
<i>Oppose</i>	7.5%	5.2%	9.9%	5.4%	9.0%	7.2%	10.3%
<i>Undecided</i>	20.0%	27.3%	12.1%	16.5%	22.5%	19.6%	24.1%

	<i>Total</i>	<i>Liberal</i>	<i>Labor</i>	<i>Greens</i>	<i>Und</i>
<i>Support</i>	72.5%	57.1%	89.2%	89.5%	79.7%
<i>Oppose</i>	7.5%	9.2%	4.9%	6.7%	6.3%
<i>Undecided</i>	20.0%	33.6%	5.9%	3.8%	13.9%

Wide Bay

	<i>Total</i>	<i>Female</i>	<i>Male</i>	<i>18 – 34</i>	<i>35 – 50</i>	<i>51 – 65</i>	<i>65+</i>
<i>Support</i>	68.3%	70.6%	65.9%	55.2%	72.0%	74.1%	67.7%
<i>Oppose</i>	13.4%	6.4%	20.7%	25.2%	9.7%	11.1%	10.8%
<i>Undecided</i>	18.3%	23.0%	13.4%	19.6%	18.4%	14.8%	21.6%

	<i>Total</i>	<i>Liberal</i>	<i>Labor</i>	<i>Greens</i>	<i>Und</i>
<i>Support</i>	68.3%	54.8%	84.4%	95.2%	71.2%
<i>Oppose</i>	13.4%	22.8%	3.4%	0.0%	9.1%
<i>Undecided</i>	18.3%	22.5%	12.3%	4.8%	19.7%

Queensland – ‘exit poll’ following February 2015 Election

From 2-4 February 2015, immediately following the Queensland state election, Loneragan Research conducted an automated phone poll of 1,429 people randomly chosen in the state of Queensland, with results weighted according to the 2011 Census and the election polling results.⁷ Respondents were asked:

The Newman government committed around \$2bn of taxpayers’ money toward building the rail and road infrastructure in the Galilee Basin. Experts believe further investment is needed to make the coalmines viable. Who, if anyone, do you think should provide this investment?

	Total
The Government	17%
The Coal Industry	71%
Neither	12%

⁷ <http://www.theguardian.com/australia-news/2015/feb/06/queenslanders-say-no-to-more-taxpayer-money-for-coalmines-says-poll>