

# **MEDIA RESPONSE**

**The Association of Mining & Exploration Companies Inc.**

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28 January 2010

## **Don't strangle the Golden Goose**

Professor Jorg Imberger's call to impose yet another tax on mining companies (*Call to levy mining forms for environmental fund*, The West Australian Newspaper, Tuesday 26 January, page 13) shows a thorough lack of understanding of the positive contribution mining makes to the environment.

As well as the extraordinary claim that mining increases crime rates, the article quotes Professor Imberger alleging that the community is left worse off because "...we are left with a huge clean-up bill".

What the article neglected to detail (or even acknowledge) was the environmental bonds compulsorily lodged for every mining project to ensure the company involved rehabilitates the site to the Government's satisfaction. Professor Imberger also failed to give credit for the huge amount of time and money mining and exploration companies spend researching and cataloguing rare and endangered species. Ironically, many of these species would still be undiscovered if it wasn't for the diligent, honest work undertaken by the many responsible resources companies.

The mining and exploration industry always welcomes honest research and discussion about the best way to balance conservation with the development that pays for Australia's teachers, nurses and police officers. It is indeed disappointing to see tax-payer-funded academics present an anti-development agenda in the guise of genuine research.

It is a shame that Mr Imberger would seek to strangle his golden goose in exchange for some cheap publicity.

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***Attached: Original article***

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# Call to levy mining firms for green fund

KIM MACDONALD, The West Australian January 26, 2010, 2:15 am

Former scientist of the year Jorg Imberger has called for a five per cent levy on mining companies to pay for social and environmental programs, amid revelations only a fifth of export sales money stays in WA.

Research by Professor Imberger and PhD student Mark Andrich shows 62 per cent of the money from resources sales goes abroad during periods of high commodity prices, mostly to shareholders.

About 17 per cent goes into the national economy and about 20 per cent stays in the State, through royalties, jobs and shares.

The pair claim the relatively small economic return comes at a significant community cost, with the mining boom adding to environmental and social problems such as further wealth inequity, reduced housing affordability, congestion and increasing crime rates.

Professor Imberger, head of the Centre for Water Research at UWA, said the mining boom was good for the economy, but was not good for society.

"After the assets are removed, we are left with practically nothing," he said. "You could say less than nothing because we are left with a huge clean-up bill."

Professor Imberger said WA should follow Norway's lead by ensuring mining companies paid a levy of about five per cent into a sustainability fund that could be used to address problems which the industry helped to create.

Mr Andrich said Norway's sovereign fund, established in 1990, was invested internationally and was worth \$450 billion, equal to \$100,000 for each citizen.

Mr Andrich said the levy should only be imposed on profitable mining companies when commodity prices were above certain thresholds, and would create a fund worth about \$1.5 billion a year.

"The Norwegians are putting aside some of their non-renewable resource sales to smooth economic cycles and improve their lives, and we would all be much better off if we did the same," he said.

The Australian Mines and Metals Association said the industry was already financing the royalties for regions program and would not accept a new levy.

<http://au.news.yahoo.com/thewest/a/-/breaking/6720163/call-to-levy-mining-firms-for-green-fund/>