

## QLD coal economics quick facts

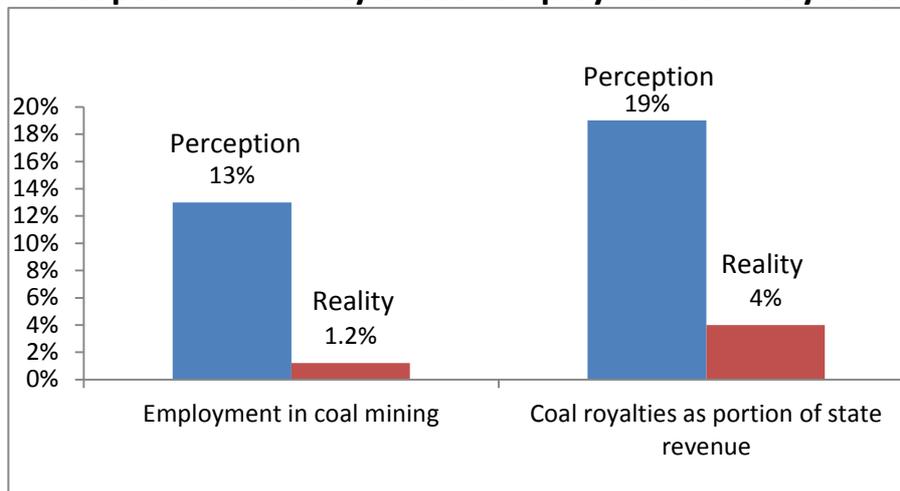
The coal industry talks up the benefits it provides, particularly jobs and royalties. They do this to increase their political power and encourage Queenslanders to accept the negative impacts the industry has on health, agriculture and the environment.

But how important is coal mining really to the Queensland economy?

### Coal mining, the myths versus reality

When we asked Queenslanders about their perceptions of the coal industry, we found that on average they believe coal employs ten times as many people as it actually does, and pays five times the amount of royalties it actually pays.

#### Perception and reality of coal employment and royalties

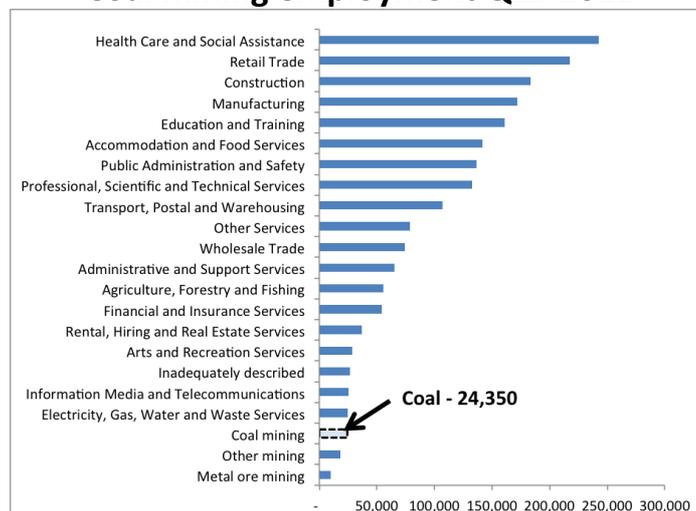


Source: TAI survey, Qld budget papers, ABS census

### How many jobs does coal mining provide?

Coal mining is one of the smallest employers in the QLD economy, just 1.2% of employment. More Queenslanders work in Arts and Recreation than in coal mining.

#### Coal mining employment QLD 2011



Source: ABS Census 2011.

## What about indirect jobs?

All industries create indirect jobs, but few talk about them as much as the coal industry. “Jobs multipliers” used by the coal industry to make claims about the indirect jobs they create have been recognized as “biased”, by the Australian Bureau of Statistics who no longer publish multipliers for that reason.<sup>i</sup>

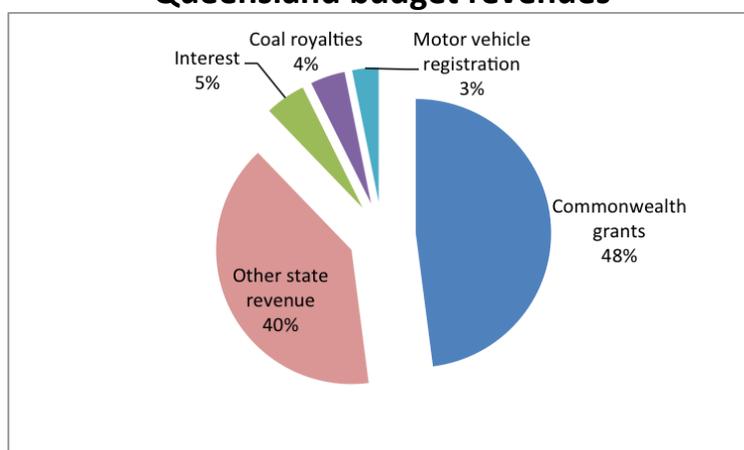
If all industries claimed to provide as many “indirect jobs” as the coal industry does, it would add up to six times as many jobs as many jobs as actually exist in QLD!

## Do we rely on coal royalties?

Coal Royalties are a payment to the people of Queensland for their coal, just as a builder buys bricks or a baker buys wheat. Bakers and builders don’t consider these costs as a tax, and in fact royalties are tax deductible against tax paid to the Commonwealth.

But how much does the Queensland government rely on coal royalties? Coal royalties are expected to make up just 4% of QLD government revenue in 2013/14. The QLD government makes a similar amount from motor vehicle registration.

### Queensland budget revenues



Source: Queensland budget papers

## Subsidies

The coal industry in Queensland enjoys very generous support from taxpayers. Last year coal companies operating in Queensland revived around \$1.5 billion in taxpayer support, largely in the form of rail and port infrastructure.

## Where do the profits go?

Mostly overseas. Coal mining in QLD is 80% foreign owned. This means that 80% of the profits go directly offshore.

## How does coal mining affect other industries?

While mining projects work with some industries like construction, they also destroy jobs in other industries, particularly manufacturing, tourism and agriculture. Most “indirect jobs” aren’t a new jobs – they’re jobs transferred from another industry.

For example, **economic modeling by Waratah Coal in 2011 found that this single QLD coal mine would displace 3000 jobs in other industries and crowd out \$1.2 billion of manufacturing activity. And that’s just one mine!**<sup>ii</sup>

<sup>i</sup> ABS (2010) 5209.0.55.001 - Australian National Accounts: Input-Output Tables - Electronic Publication, Final release 2006-07 tables.

<sup>ii</sup> Dennis R (2011). An analysis of the economic impacts of the China First mine, The Australia Institute.