

Source: ABC Broken Hill, 12 Jul 11

Carbon price 'disastrous' for mining companies

An exploration company with tenements near Broken Hill says the Federal Government's carbon price will be 'disastrous' for mining companies.

The Government has introduced a carbon price of \$23 per tonne from next July, for 500 big polluters across Australia, which at this stage does not include Minotaur.

The Managing Director of Minotaur Resources Andrew Woskett, says the company will have to absorb rising energy costs under the carbon scheme.

"On the one hand we've got the impost of a new tax, being the MRRT or the Mineral Resources Rent Tax which is going to negatively impact the economic valuation of that project.

"Then to have a carbon tax applied on top is just another brick in the boat," he said.

"We don't see anything positive out of the carbon tax because we are inevitably going to be a intensive user of energy."

Minotaur says the carbon price will send business opportunities overseas.

Mr Woskett says the scheme is just another price burden for mining companies.

"We shouldn't have to bear it because our competitors overseas are not bearing it.

"So the money flows to where the economics work best and if they don't work in Australia because we've got another impost on our input costs then the investment will flow overseas where competitors of ours do not have that burden to carry," he said.

"What we're doing here is playing with numbers, taking out of one hand and putting in the other hand and saying we've done a marvellous job.

"It's not going to make one whit of difference to the emissions of carbon dioxide globally.

"We're just going to sit here and think we've done a good job and congratulating ourselves and nothing is going to change except for the fact that we've become uncompetitive and less attractive to foreign investment."

Concessions welcomed for agricultural industry

The President of the Pastoralists Association of West Darling has welcomed the concessions made for the agricultural industry in the carbon tax.

Sue Andrews says the industry will still feel indirect impacts, but she is relieved they will not be directly taxed.

"The people producing the food for everyone, still will have that ability to do so, even though we will still be under more stress with higher electricity and things like that.

"But they were talking about taxing the animals and everything else," she said.

Ms Andrews says far west graziers will be hit hard when concessions on diesel are lifted.

Transport fuel will not be included in the carbon tax for the first two years but when it is included, she says, it will have a big impact on the industry.

"As you can imagine, the distance out here, the fuel costs are enormous, and it's the only way we've got to get our produce to market.

"Personally I don't think it should be put in place at all.

"Australia's a big place, and we depend on the trucking industry for all our commodities."

High fuel costs for regional airlines

The Chief Operating Officer of Regional Express says regional aviators should be excluded from the carbon tax.

Chris Hine says potential increases on fuel prices may mean some routes will be closed.

Mr Hine says cost increases will prevent extra routes, such as a flight between Melbourne and Broken Hill, from being considered.

He says regional routes are already difficult to maintain financially.

"I would be urging the Prime Minister to certainly engage with the aviation industry, particularly the regional aviation industry to consider mechanisms by which the regional component at least of the industry is in some way shielded from the full effects of the carbon tax implication."

"This will put more pressure on all regional operators, and potentially make some of the current routes unviable, but would prevent entrants from getting into new ones."