

IPA MEDIA RELEASE

Institute of Public Affairs | Australia's leading free market think tank

Wednesday 25th May 2011

GREENS CALL TO BAN NEW COAL MINES WOULD BE CATASTROPHIC

Free market think tank, the Institute of Public Affairs, today warned that the Greens call to ban new coal mines would be catastrophic for Northern Australia and would sound the death knell for any serious proposal to economically develop the region.

Director of the North Australia Project at the Institute of Public Affairs, Hugh Tobin, said that the Greens policies would devastate regional Australia and would lock the North into a perpetual state of underperformance given the huge potential of the region.

'Preventing new coal mines from opening would be catastrophic for the Australian economy, particularly in the North. In New South Wales, Queensland and Western Australia there are 50 coal projects due to start in the next three years alone,' Mr Tobin said.

'Coal is the top export for both New South Wales and Queensland. It contributes \$8.4 billion to the NSW economy and \$20.5 billion to the Queensland economy. A few wind turbines aren't going to replace the coal industry in terms of jobs or energy output anytime soon.

'The Greens also want to stop the development of the coal seam gas industry. This industry represents a huge opportunity for many regional Australian communities which deserve the chance to benefit from this resource,' Mr Tobin said.

Last week, mining giant Xstrata indicated that it was closing its smelting operations in North Queensland. Anglo American Mining CEO Cynthia Carroll has also warned that the introduction of a carbon tax could imperil \$4 billion dollars of investment in mining projects from her company alone.

'The resource boom is not assured. We need to create an environment that encourages investment. The Greens are doing everything they can to stop it. Northern Australia should be the future of this country.

'Australians should be very wary of the Greens and their policies. As of July 1, they will hold the balance of power in the Senate and destructive policies like the banning of new coal projects will be pushed through with no thought of the consequences for jobs or families.

'We shouldn't be adding more taxes and blocking future investment. The North is underdeveloped as it is. The government should put in place a Special Economic Zone in Northern Australia. A low tax, low regulation zone would drive continued long term investment in the Australian resource industry,' Mr Tobin said.

The IPA is working with Australian's for Northern Development and Economic Vision (ANDEV) to develop policies for a more competitive Northern Australia. For more information on the IPA visit www.ipa.org.au. For more information on ANDEV visit www.andev-project.org.

Media Comment: Hugh Tobin, Director - North Australia Project, 0417 303 701, htobin@ipa.org.au

**Institute of Public Affairs, Level 2, 410 Collins St. Melbourne
ph: 03 9600 4744 fax: 03 9602 4989 www.ipa.org.au**