



MEDIA RELEASE

MINERALS COUNCIL OF AUSTRALIA

Super Resources Tax Consultation Panel

Statement from Brendan Pearson, Deputy CEO, Minerals Council of Australia

The Australian minerals resources industry is ready to engage in genuine good-faith consultation with Government on reform of Australia's resource taxation.

The terms of reference for consultation with the Resource Tax Consultative Panel outlined, however, are too limited.

In particular, the Government has indicated that the panel will "not be consulting on... the key parameters determined by the Australian Government".

In other words, the consultation panel has been prevented from considering fundamental elements of the proposed new tax including the 40 per cent rate, the definition of 'super profit', whether existing projects should be covered, and whether the tax should apply at a differential rate to different commodities.

A consultative process where all the key parameters are off the table is not a genuine consultation.

In fact many of the issues raised by the Queensland, South Australian and Western Australian Governments are beyond the scope of the consultation panel.

Given the importance of this policy to the Australian mineral resources sector and the broader economy it is imperative that the following key policy design parameters be part of the formal consultation process:

- the 40 per cent rate;
- the definition of a 'super profit' (i.e. the uplift factor for the new super tax);
- the application of the tax to existing projects, and
- the differential application of the tax according to individual commodities.

The Australian minerals resources sector's concerns with the new mining tax cannot be addressed by tinkering at the transitional edges of the scheme.

It is essential that the Government reconsider its approach to consultation on reform of resources taxation.

In particular it should authorise the Panel to consult on all the key policy parameters when it meets with the MCA, other industry groups and individual companies over coming weeks.

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