

Mining Rent Tax - What it means to your region



Yes Minister, money voted

By **KIERAN MORAN**
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THE announcement of the new Minerals Resource Rent Tax yesterday not only saved money for the mining companies, but has most likely saved Prime Minister Julia Gillard.

Due to the big boy bully tactics of the miners with \$100 million advertising campaigns and millionaire protests, Kevin Rudd lost his Prime Ministership.

Over the last two months we have seen orchestrated campaigns, threats and propaganda from both sides. Some people might think that the government was held over a barrel, but in reality, the Australian population were all held over a barrel by the mining industry.

In their attempt to influence the Australian public, scare tactics about future investments and the loss of jobs put fear into the Australian public with very little factual evidence.

As mentioned, Kevin Rudd lost his Prime Ministership with Julia Gillard taking over the reigns. But who really has the reigns of Australia?

Every three years Australians go to the polls and vote for a leader who is on the ballot paper.

However, due to money and the influence of mining companies, it would seem that the people who actually run the country aren't on the ballot and unfortunately have never received a single vote.

Govt lights fuse to investment

Big-three mining companies come out on top

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THE strong arm of the three big mining companies BHP, Rio Tinto and Xstrata has won the resource tax arm wrestle with the Australian Government, reigniting investments in Gladstone.

The renamed Minerals Resource Rent Tax (MRRT) will apply only to iron ore and coal in Australia, and will be capped at 30 per cent rather than the original 40 per cent proposed.

Other commodities will not be included, which reduces

“I look forward to details on the implementation of the mineral rent tax.”

XSTRATA CHIEF EXECUTIVE MICK DAVIS

the number of affected companies from 2500 to around 320. Mick Davis, Xstrata chief executive told *The Observer* yesterday that Xstrata would

be reviewing the situation in regard to the potential commencement of the Wandoan Coal Mine.

“Constructive engagement with the Australian Government in recent days has led to an acceptable outcome on taxation reform for the minerals sector,” Mr Davis said.

“I look forward to the details on the implementation of the mineral resource rent tax being finalised as rapidly as possible to avoid any further uncertainty or delay.”

The MRRT excludes coal and iron ore operations with

profits below \$50 million and excludes altogether the metaliferous sector (copper, zinc, lead, nickel etc). These projects will remain within the existing State Royalties regime.

David Peever, managing director Rio Tinto Australia, said that yesterday's announcement by the Government was an important step towards satisfying these fundamental principles.

“We all want a minerals taxation system that grows the mining industry in Australia,” he said.



Cloud lifted on industry

GLADSTONE LNG proponents are laughing harder than usual this morning with the announcement that the LNG industry will not go under the new Minerals Resource Rent Tax, but rather the Petroleum Resource Rent Tax (PRRT).

The Queensland Premier said the application of the PRRT for gas projects like LNG, would see taxpayers get their fair share.

APLNG proponents Origin chief executive Grant King said they were pleased as it had closed down the uncertainty, which was really creating a major challenge.

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