



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

TONY WINDSOR MP
INDEPENDENT
FEDERAL MEMBER FOR NEW ENGLAND

Shop 5
259 Peel Street
TAMWORTH NSW 2340

All Mail: PO Box 963
TAMWORTH NSW 2340

Ph: (02) 6761 3080
Toll Free: 1300 301 839
Fax: (02) 6761 3380
e-mail: Tony.Windsor.MP@aph.gov.au
Web Page: www.tonywindsor.com.au

MEDIA RELEASE

17 May 2010

Govt urged to engage with mining companies over “Resource Rent Tax”

The Commonwealth Government has been urged to engage in real and meaningful negotiations with mining companies over the detailed design of the proposed “Resource Rent Tax” by the Independent Member for New England, Tony Windsor.

Mr Windsor met with Ministerial and Treasury officials last week in Canberra after requesting a briefing from the Minister for Resources and Energy, Martin Ferguson.

“It became obvious to me that the proposed Resource Rent Tax is extremely complicated and could in fact mean different company structures with similar cost structures could pay different levels of tax.

“It was also obvious that the transitional arrangements for existing operations needed to be clarified.

“The use of the bond rate to determine the starting point of the Resources Rent Tax is also an issue that may need to be adjusted,” Mr Windsor said.

Mr Windsor believes that most people, including the Minerals Council of Australia (who made a submission to the Henry Tax Review) view the determination of the starting point for tax to apply as critical to the investment portfolios of international companies and if set too low could influence the sovereign risk.

“It is my view that the bond rate of return may be too low in relation to determining what the definition of a ‘super profit’ is.

“I urge mining companies to take advantage of the Government’s offer to put their individual cases to the Resource Tax Consultation Panel.

“It is important that a full understanding of how the tax as currently designed would impact on different companies of different business structures.

“I believe that if companies themselves and not just the Minerals Council of Australia as the representative body, took the time to sit down and work through the tax implications, they may well find some room to move in terms of the ‘bond rate’ tax starting point,” Mr Windsor said.

For further information contact Tony Windsor, Ph (02) 6761 3080 or 0427 66 8868