



The Hon Wayne Swan MP
Deputy Prime Minister and Treasurer

The Hon Martin Ferguson AM MP
Minister for Resources and Energy

GOVERNMENT ACCEPTS RESOURCE TAX RECOMMENDATIONS

The Gillard Government has taken its next step in the implementation of [resource taxation reforms](#) that will deliver a boost to national savings, a cut to company taxation, and provide investment in infrastructure, particularly in the mineral-rich states of Western Australia and Queensland.

We're pleased to accept all 98 [recommendations of the Policy Transition Group](#) (PTG). This includes the 94 recommendations relating to Australia's new resource taxation arrangements, which will inform the design of draft legislation to be released for consultation in the first half of this year. The other 4 recommendations relate to promoting exploration.

The Government supports the recommendation that all current and future royalties be credited, and that all levels of government should ensure the taxation of Australia's resources preserves our international competitiveness. We agree with the PTG that the Mineral Resource Rent Tax is a more efficient way to provide Australians with a return on their mineral wealth and that we shouldn't give a green light to the states to increase their royalties.

The resource tax recommendations will have no net impact on the Budget over the forward estimates. The Government will consider advice provided beyond the terms of reference to amend the Petroleum Resource Rent Tax legislation as fiscal circumstances permit. This aspect of the report was not consistent with the requirement for recommendations to be revenue neutral.

We thank the members of the Policy Transition Group for their valuable contribution, as well as the input of the resources sector and other stakeholders. To continue the engagement with the industry and maintain the goodwill that has developed, we've accepted the recommendation to establish an implementation group to support the legislative drafting stage.

The Resource Tax Implementation Group, comprising representatives of industry and the tax profession as well as government officials, will ensure close consultation with the resource sector continues as the legislation is finalised.

The Government recognises the importance of delivering a fair return to the regions that generate so much of our nation's wealth. That's why proceeds from the reforms will help fund a \$6 billion Regional Infrastructure Fund, including at least \$2 billion for roads, rail, port and other critical infrastructure in both Western Australia and Queensland.

These initiatives are crucial to maximise the opportunities presented by Mining Boom Mark II, and ensure all Australians receive a fair return from the nation's resources.

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ATTACHMENT**MEMBERSHIP OF RESOURCE TAX IMPLEMENTATION GROUP**

The Resource Tax Implementation Group will be chaired by Paul McCullough, from the Treasury, and will include other officials from the Treasury, the Department of Resources, Energy and Tourism and the Australian Taxation Office.

The group will also include the following representatives from the resources industry and associations, and taxation legal and accounting bodies:

- Stuart Brown
- Grant Cathro
- Frank Drenth
- David Dyer
- Teresa Dyson
- Yasser El-Ansary
- Michael Laurie
- Anthea McKinnell
- Basil Mistilis
- Noel Mullen
- Anthony Portas
- Kathryn Presser
- Brian Purdy
- David Richardson
- Gordon Thring