



Media Release

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11/0217/M

18 February 2011

GILLARD MINING TAX A MASSIVE TAX ON WA

Secret Treasury modelling which has finally been released under Freedom of Information legislation reveals that the Gillard mining tax is a massive tax on Western Australia.

"Treasury modelling of the Gillard mining tax deal shows the government expects a staggering 80 per cent of the revenue to come from iron ore production over the current forward estimates.

"Given 98 per cent of Australian iron ore production takes place in WA, you don't have to be Einstein to figure out that nearly all (if not all) the MRRT revenue from iron ore will be generated here.

"It is obvious from the Treasury modelling that over the next ten years the government expected to raise about 65 per cent – or \$25 billion – in mining tax revenue on the back of mining projects here in WA. (Summary table attached – Source: Treasury, MRRT Model)

"No wonder Julia Gillard didn't want people in Western Australia to know.

"It is completely unreasonable, inappropriate and discriminatory for a single new national tax to target one specific State economy like this.

"Julia Gillard inherited a bad tax which had been developed by an incompetent Prime Minister and an incompetent Treasurer through a bad process.

"Her pre-election political fix made the tax worse not better. It is now even more complex and less fair.

"Tax reform was supposed to be about making our tax system simpler and fairer.

"The Gillard mining tax is manifestly more complex and less fair.

"It was negotiated in secret with three taxpayers around the table, excluding all their competitors, as well as State and Territory governments, other stakeholders and the public from the process.

"This is not an appropriate way to develop a new tax.

"Last week Julia Gillard scrapped Labor's failed attempt to take over a third of the States' GST. This week she should scrap the mining tax.

"It was just another dud she inherited from her predecessor," Senator Cormann said.

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SUMMARY OF TREASURY MODELLING – MRRT REVENUE ESTIMATES

Year	Total MRRT	MRRT on Iron Ore/WA	%
2012/13	\$4bn	\$3.5bn	87.50%
2013/14	\$6.5bn	\$5bn	76.90%
2014/15	\$6.5bn	\$4.5bn	69.20%
2015/16	\$5.5bn	\$3.5bn	63.60%
2016/17	\$4bn	\$2bn	50%
2017/18	\$3bn	\$1.5bn	50%
2018/19	\$3bn	\$1.5bn	50%
2019/20	\$3bn	\$1.5bn	50%
2020/21	\$3bn	\$2bn	66.60%
Total	\$38.5bn	\$25bn	64.93%

Source: Treasury, MRRT model: <http://www.treasury.gov.au/contentitem.asp?NavId=087&ContentID=1962>