



Media Release

Senator Mathias Cormann *CHAIR OF THE FUEL & ENERGY SENATE SELECT COMMITTEE*

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MINING TAX STILL BAD FOR WA

Regardless of recent changes, the Gillard government's new tax on mining remains a threat to the Western Australian economy and jobs.

That is the conclusion reached by a Senate Committee investigating the changes over the past month.

"Irrespective of the changes to the mining tax negotiated in private with the three biggest mining companies, the Gillard Government will still be imposing a \$10.5 billion tax on our leading export industry," Committee Chairman Mathias Cormann said today.

"A massive \$7 billion out of \$10.5 billion of that tax will be raised in Western Australia, according to WA Treasury calculations provided to the Committee," Senator Cormann said.

"The Gillard Government is using this mining tax to milk billions of dollars from Western Australia to pay for their debt and blunders over East," he said.

"The 99% of mining companies who were excluded from those negotiations remain very concerned about how the tax will impact on mining jobs and competitiveness.

"Significant mining projects remain on hold because of the new tax and the government's refusal to provide basic information to the industry and the Parliament on the impact of the tax.

"Treasury Secretary Dr Ken Henry was forced to admit to the Committee that the Government had done no analysis on how badly jobs and mining investment could be affected by the revised tax.

"The Government refuses to reveal to the Senate Committee where the \$10.5 billion in mining tax revenue is supposed to come from or what their commodity price and production volume assumptions are.

"This raises questions about the veracity of the budget forecasts given claims of future surpluses are underpinned by over-optimistic iron ore price assumptions.

"We know now that they got their commodity price assumptions wrong in the May budget, underestimating revenue from the RSPT by a staggering \$12 billion, doubling it to \$24 billion.

"Julia Gillard's new tax on mining has significant implications for the budget, the economy, jobs and investment in the mining industry and for Western Australia.

"Yet she is bending over backwards to cover up the true impact of her new tax.

"If it hadn't been for the election being called, the Committee would have recommended the Senate find the government in contempt.

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