

# CHECK OUT

CCJP

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## ***Australia needs a robust tax system with fair and efficient taxation of mining super profits***

### **Joint Statement**

National organisations representing social and community sector, unions, environmental and consumer groups have called for the voices of ordinary Australians to be heard in a tax debate that has been dominated by powerful vested mining interests.

Reform of mining tax is a key recommendation from the Henry Report to strengthen the tax system and meet the challenges of tomorrow's Australia, including population ageing, climate change, and social infrastructure. This is essential to improve the fairness and efficiency of Australia's tax system and

strengthen the national economy. Australian and State and Territory Governments must make better use of the fairest and least economically harmful taxes. A resource profits tax is a major first step in that direction.

Australia should not be diverted from the path to fair tax reform.

The Henry review was set up because the present tax system needs urgent reform. Key reforms to improve fairness also include more consistent tax treatment of investment income; a fairer distribution of tax breaks for superannuation contributions; land and housing tax reform to improve affordability; and the closure of tax avoidance loopholes. If we baulk at necessary reforms now and

muddle though with the present system, future Australian Governments will not be able to raise the revenue to meet the community's needs without shifting more of the burden onto ordinary wage earners and harming the economy.

The strong demand for our resource exports has sent resource prices soaring and delivered windfall profit gains to the big mining companies. There is both need and capacity to raise more tax revenue from this boom, and to use it to build a stronger, more sustainable economy and a fairer Australian society.

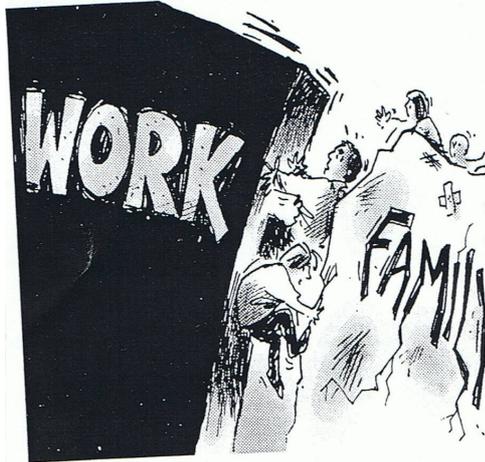
Fair and efficient taxation of Australia's natural resources is critical if all Australians are to

obtain lasting benefits from the nation's mineral wealth.

The case for resource tax reform is clear-cut. Any design and implementation details of the new Resources Super Profits Tax will be resolved through consultation.

The implementation of the RSPT should create a demonstrable net environmental benefit and commit a share of the revenue raised to sustainable infrastructure investments through Infrastructure Australia.

As national community sector organisations, we call on all parties to engage with the government and resolve these matters in the national interest, and for the wider community to be allowed into the debate.



**ACTU Secretary Jeff Lawrence said:**

"These reforms will benefit all Australians and they should have a say in this debate, not just mining executives. It's wrong for billionaires to hijack this debate and hold the country to ransom with their \$100 million scare campaign.

"By opposing the RSPT, mining magnates are putting at jeopardy improved superannuation savings for the workforce of more than 10 million, billions of dollars of infrastructure spending that our nation needs, and a cut to the company tax rate for 770,000 businesses.

"The RSPT misinformation being spruiked by the big miners is a disgrace. The big miners and their CEOs have been pocketing the fruits of the minerals boom for years - it's time ordinary Australians got a fairer share. After all, the nation's minerals belong to all of us."

**ACOSS CEO Clare Martin said:**

"Australia needs a stronger tax base, including a national tax on use of Australia's mineral resources, to fund services for the community especially as our population ages. Taxes on resources are a fair and economically efficient way to raise revenue.

Sustainable tax reform should also be built on a fairer share of superannuation tax breaks for low and middle income earners, and changes to land and housing taxes to improve housing affordability.



**CFA Chair Catriona Lowe said:**

"The RSPT is good policy - a tax on resources should be part of a sound tax base - and it comes with some off-sets in

other parts of the tax-base, so it has the added virtue of rebalancing a base out of kilter.

"Unlike many other products, the resources aren't mobile - they are in the ground.

Australian ground. All Australians should benefit from this luck of geography, not just a well-heeled few."

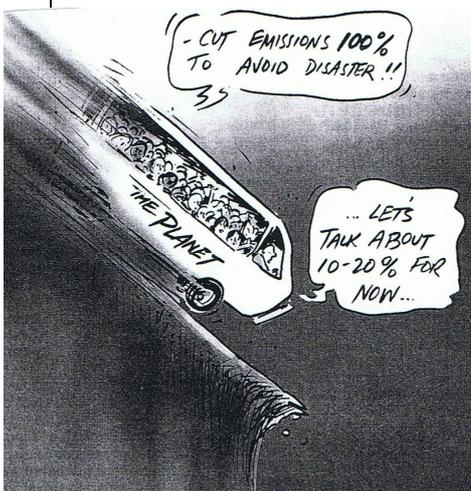
The organisations making this joint statement co-operate in the Community Tax Forum to promote broad public engagement in the national tax reform debate.

**ACF Strategies Director Charles Berger said:**

"Australia's mineral resources are owned by the public, and the mining industry receives hefty subsidies from government, so it's fair to expect that mining profits will be shared with the public and invested into a sustainable future.

In the final design of the RSPT, the Government must demonstrate that the policy will have a net environmental benefit. In particular, the Government should ensure there will not be tax refunds to mining projects in the event of environmental disasters, and should phase out subsidies for exploration and fossil fuel intensive activities as the Henry Review recommended.

The revenue from a resources tax should be invested in renewable energy and other sustainable infrastructure for Australia. Funds could be administered through Infrastructure Australia to ensure broad public and environmental benefits, rather than handed back to the mining industry through exploration rebates or mining infrastructure projects."



Should you wish to receive further **CHECK OUTs**, contact Cecily May, CCJP, PO Box A21 Enfield South 2133, ☎/Fax 9745 0820 Email: ccjp@bigpond.com Web: www.ccjpoz.org