



Australian Government

Australian Bureau of Agricultural and  
Resource Economics – Bureau of Rural Sciences

21 October 2010

The Secretary  
Senate Select Committee  
on the Scrutiny of New Taxes  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Mr Hawkins

Thank you for your invitation dated 12 October 2010 inviting ABARE-BRS to make a submission to the Senate Select Committee on Scrutiny of New Taxes for the Inquiry into Minerals Resource Rent Tax.

Please find attached ABARE-BRS's submission to the Senate Select Committee on Scrutiny of New Taxes for consideration as part of the Inquiry into Minerals Resources Rent Tax.

The ABARE-BRS submission contains three research outputs that were published by ABARE on approaches to taxation in the minerals and petroleum industry in 2007, 2008 and 2010. The three research outputs are: *Mineral resource taxation in Australia: an economic assessment of policy options* (Hogan 2007); *International minerals taxation: experience and issues* (Hogan 2008) and a chapter in the book titled *the Taxation of petroleum and minerals: principles, problems and practice* (Hogan and Goldsworthy 2010)

The three papers cover the economic theory and implementation of various taxation policies in the petroleum and minerals industry in Australia and internationally. Taxation policies examined included specific and ad valorem based royalties and resource rent taxes.

The research concludes that the petroleum resource rent tax arrangements in Australia are an efficient resource taxation system that has enabled the Australian Government, on behalf of the community, to collect a reasonable share of the resource rent in areas where this arrangement applies. It also concludes that given Australia's substantial mineral resource assets, it is likely that there would be significant net economic benefits in extending a profit based royalty such as the petroleum resource rent tax to onshore mineral resources.

In addition, Attachment A contains a number of ABARE-BRS research reports that the Committee may find useful.

Yours sincerely

Phillip Glyde  
Executive Director, ABARE-BRS



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## **Attachment A**

### **Australian Commodities March quarter 2010**

[http://www.abare.gov.au/publications\\_html/ac/ac\\_10/ac\\_10.html](http://www.abare.gov.au/publications_html/ac/ac_10/ac_10.html)

The Australian Commodities March quarter 2010 contains world price, production, consumption and trade forecasts out to 2015 for a range of mineral and energy commodities that are important to the Australian mining sector. The outlook for Australian production and export volume and values is projected out to 2014-15.

### **Australian Commodities September quarter 2010**

<http://www.abare->

[brs.gov.au/publications\\_remote\\_content/publication\\_details?fid=pe\\_abarebrs99001732\\_13a.xml](http://www.abare-<br/>brs.gov.au/publications_remote_content/publication_details?fid=pe_abarebrs99001732_13a.xml)

The Australian Commodities September quarter 2010 contains world price, production, consumption and trade forecasts out to 2011 for a range of mineral and energy commodities that are important to the Australian mining sector. The outlook for Australian production and export volume and values is projected out to 2010-11.

### **Australian Mineral Statistics June Quarter 2010**

[http://www.abare-brs.gov.au/publications\\_remote\\_content/recent-](http://www.abare-brs.gov.au/publications_remote_content/recent-)

[20?sq\\_content\\_src=%2BdXJsPWh0dHAIM0EIMkYIMkYxNDMuMTg4LjE3LjIwJTJGYW5yZGwI  
MkZEUZGU2VydmIjZSUyRmRpc3BsYXkucGhwJTNGZmlkJTNEcGVfYWJhemVicnM5OTAw  
MTcyNS54bWwmYWxsPTE%3D](http://www.abare-brs.gov.au/publications_remote_content/recent-<br/>20?sq_content_src=%2BdXJsPWh0dHAIM0EIMkYIMkYxNDMuMTg4LjE3LjIwJTJGYW5yZGwI<br/>MkZEUZGU2VydmIjZSUyRmRpc3BsYXkucGhwJTNGZmlkJTNEcGVfYWJhemVicnM5OTAw<br/>MTcyNS54bWwmYWxsPTE%3D)

This quarterly report provides: up-to-date national mineral statistics on production, trade, indexes & graphs of Australian mine production & export prices and a graphical summary of mineral exports.

### **Australian Commodity Statistics 2009**

[http://www.abare.gov.au/publications\\_html/acs/acs\\_09/acs\\_09.html](http://www.abare.gov.au/publications_html/acs/acs_09/acs_09.html)

The Australian Commodity Statistics 2009 provides comprehensive data on the supply of and demand for more than 23 mineral and energy commodities. It covers current and historical data on price, production and export information, with some historical series extending over forty years.

### **Minerals and energy: major development projects - April 2010 Listing**

[http://www.abare-brs.gov.au/publications\\_remote\\_content/all-](http://www.abare-brs.gov.au/publications_remote_content/all-)

[publications?sq\\_content\\_src=%2BdXJsPWh0dHAIM0EIMkYIMkYxNDMuMTg4LjE3LjIwJTJGYW  
5yZGwIMkZEUZGU2VydmIjZSUyRmRpc3BsYXkucGhwJTNGZmlkJTNEcGVfYWJhemVicnM5  
OTAxNDQ2MS54bWwmYWxsPTE%3D](http://www.abare-brs.gov.au/publications_remote_content/all-<br/>publications?sq_content_src=%2BdXJsPWh0dHAIM0EIMkYIMkYxNDMuMTg4LjE3LjIwJTJGYW<br/>5yZGwIMkZEUZGU2VydmIjZSUyRmRpc3BsYXkucGhwJTNGZmlkJTNEcGVfYWJhemVicnM5<br/>OTAxNDQ2MS54bWwmYWxsPTE%3D)

Minerals and Energy Projects April 2010 listing details new projects in this sector, including recent trends in exploration, capital expenditure and other related issues. In this report, the listing of 361 major projects are detailed and include 75 projects at an advanced stage