



REVIEW OF THE MINERAL RESOURCE RENT TAX BILL 2011 AND RELATED BILLS

The House Economics Committee will inquire into and report on the Minerals Resource Rent Tax Bill and 10 related Bills. The Bills are available from the committee's website.

The Bills implement the government's decision to lock in the benefits of the mining boom and deliver a fairer return from the nation's mineral wealth.

The Explanatory Memorandum explains that the 'Minerals Resource Rent Tax (MRRT) is a tax on the economic rents miners make from the taxable resources (iron ore, coal and some gases) after they are extracted from the ground but before they undergo any significant processing or value add. Economic rent' is the return in excess of what is needed to attract and retain factors of production in the production process.'

The revenue from the MRRT will deliver benefits for both business and workers. Businesses, both large and small, will benefit from a cut in the company tax rate. In addition, the package of reform will increase the small business instant asset write-off threshold from \$1 000 to \$6 500.

Working people will benefit from changes to superannuation which will provide an increase to the superannuation savings of 8.4 million workers. The legislation will gradually increase the superannuation guarantee charge percentage from 9 per cent to 12 per cent.

The Chair of the Committee, Julie Owens, said that the committee will examine the adequacy of the Bills in achieving the policy objective and where possible identify any unintended consequences.

The committee will conduct public hearings on Tuesday, 8 and Wednesday, 9 November in Canberra. More information about the hearings will be circulated beforehand.

Interested persons and organisations are invited to make **submissions to the inquiry by Tuesday, 8 November 2011.**

The committee notes that the exposure draft legislation was subject to a consultation process by the Treasury .

The committee will report by Monday, 21 November 2011.

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