Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 209

Topic: **Global Mining Taxation Regimes**

Hansard Page: Written

Senator ABETZ asked:

1. Can the Treasury provide a list of the top ten mining taxation regimes worldwide, including Australia 1) at its current rate and 2) as proposed under the RSPT.

Answer:

Treasury has not previously attempted to rank worldwide mining taxation regimes. The incentive to invest in a country is dependent not only on taxes but on factors such as mineral prospectivity; the availability and quality of economic and social infrastructure, availability of skilled labour; proximity to markets and political stability.

International comparisons of mining taxation are problematic because the relativities between countries are dependent upon a range of factors, such as: the rate of mining tax; the economic structure of mining taxes; income taxation arrangements applying to mining; other non-tax charges and funding requirements; perceived tax stability; the type of mineral and mineral prices. It is not possible to reflect these various dimensions of mining taxes in a single comparative statistic.