

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 74

Topic: Taxation treatment of mining (and other) royalties

Hansard Page: Written

Senator Payne asked:

- The Minerals Council of Australia, which represents the sector that employs the most Indigenous Australians, has highlighted in a joint paper with the National Native Title Council some serious gaps in the taxation treatment of native title revenue, such as from mining royalties. I refer particularly to the lack of means for Indigenous communities to receive royalties and attribute them in ways that ensure these royalties can be maximised for the long term development of communities.
- What progress has been made on reforms to ensure the taxation of mining royalties, and other native title revenue sources, are fairly taxed and can be structured in a way to ensure long term development of Indigenous communities?
- Is the Government considering establishing an Indigenous Community Development Corporation structure?
- I understand this issue was first raised, and this solution proposed, some years ago. What has been the delay in making appropriate reforms in this area?

Answer:

On 20 October 2010 the Government resumed consultation on the paper entitled *Native Title, Indigenous Economic Development and Tax*. The consultation paper discussed the interaction between the income tax system and native title and set out possible approaches to reform.

The Government consulted widely on the issues in the consultation paper. Further, Treasury received thirty-three written submissions from a range of stakeholders in response to the consultation paper.

The Government is giving careful consideration to stakeholder's views in developing its response to this important reform.