

# Appendix 10

## Senator Cormann's letter to the Prime Minister dated 12 July 2010



**SENATOR MATHIAS CORMANN**  
Liberal Senator for Western Australia

Hon Julia Gillard MP  
Prime Minister  
Parliament House  
Canberra ACT 2600

Dear Prime Minister

Tomorrow morning Treasury Secretary Dr Henry will appear for a second time before the Senate Fuel and Energy Committee to answer questions about the Minerals Resource Rent Tax and expanded Petroleum Resource Rent Tax.

In that context I am writing to request you allow Dr Henry to provide proper answers to important and legitimate questions which remain unanswered about the new resource rent tax arrangements announced on 2 July 2010.

Indeed, during a meeting of the Fuel and Energy Committee last Monday Dr Henry took 13 questions on notice. Most of those questions would easily be answered on notice, as Treasury would hold the information. Yet, key questions remain unanswered even after the deadline for answers has passed.

In refusing to answer those questions your government advanced the proposition that it 'has not released this level of detail, in line with usual budget practice'.

This of course is not an acceptable reason to refuse answering a question put to a government official in the course of a Senate Committee hearing. Indeed, the fact that information hasn't been publicly released is not one of the recognised public interest grounds on which a refusal by government officials to answer questions from a Senate Committee can be based. Please note relevant advice from the Clerk of the Senate attached for your consideration.

I refer you also to a similar attempt by your government to refuse answering questions about tax revenue in the past. On that occasion it was in the context of the increase in the Alcopops tax. At first, questions about the amount of additional tax revenue were not answered on the basis that 'this information is not publicly available'. However, when it was pointed out that the mere fact that information was not publicly available (or had 'not been released') is not a proper ground to refuse answering questions put forward by a Senator or a Senate Committee, the information was eventually provided.

I urge you to consider the public interest and do the same on this occasion.

Among other things the Senate Fuel and Energy Committee wants to know:

- Where the \$10.5 billion in revenue from the MRRT/expanded PRRT is expected to come from both by sector and geographically.
- What changes in assumptions were made between the 2010/11 budget and the new tax arrangements announced on 2 July 2010:
  - o to commodity prices
  - o commodity volumes
  - o the exchange rate
  - o to any of the other variables that have been changed.

Proper answers to these and other questions are in the public interest. I can't see how your government could possibly argue that answers to those and other questions is not in the public interest, unless you are seeking to hide embarrassing information from public scrutiny.

Your government is seeking to impose a massive new tax on the mining industry.

You have entered into a heads-of-agreement with three major mining companies having conducted all negotiations in private.

Your new tax on mining and the deal you entered into clearly has serious implications for the budget, our economy, jobs and investment in the mining industry and of course for resource rich States like Western Australia and Queensland in particular.

The Australian people are entitled to receive answers to the questions we are putting forward on their behalf.

I urge you to consider the public interest at stake here and not just the political interest of your government.

Kind regards



Mathias Cormann

**SENATOR FOR WESTERN AUSTRALIA**

12 July 2010

cc. Hon Wayne Swan MP, Treasurer  
Dr Ken Henry AC, Secretary of the Treasury

See: appendix 9 as attachment to appendix 10