

Senate Standing Committee on Economics  
ANSWERS TO QUESTIONS ON NOTICE  
**Treasury Portfolio**

**Inquiry into the Treasury Laws Amendment (Tax Accountability and Fairness) Bill 2023,  
Schedule 5—Petroleum resource rent tax deductions cap**

**Department:** Department of the Treasury  
**Topic:** 90 per cent deductions cap decision  
**Reference:** Spoken  
**Senator:** **Nick McKim**

**Question:**

Senator McKIM: The original recommendation for the deductions cap was to set it at somewhere between 80 and 90 per cent. Could I ask when Treasury settled on 90 per cent and what factors led to settling on 90 per cent, as opposed to 80 per cent?

Susan Bultitude: Just to clarify, there was no recommendation that it be set somewhere between 80 and 90 per cent. We did, however, in the document that we circulated to industry, have 80 to 90 per cent in square brackets, but that wasn't a recommendation per se. That was for us to inform our consultations. As I said before, where we settled on recommendation 1C relating to the deductions cap at 90 per cent, was following the consultations through March and April 2023 with industry stakeholders, independent investment analysts, the WA and NT governments and broader stakeholders from the industry, not necessarily the LNG players.

Senator McKIM: When was the decision made to settle at 90 per cent?

Susan Bultitude: I don't have the date of when we locked in 90 per cent in front of me. I can take it on notice to see if there's a particular date we can point to. As I said, it's not so much that we changed a decision. We went out with 80 to 90 per cent in square brackets while we were basically still consulting on the GTP review and consulting on various aspects.

Senator McKIM: Thank you, if you could take that on notice. And also, if you are able to answer within the normal constraints of your capacity to respond to questions like this through committee inquiries: Who made the decision? How was it made? Was it put up to the Treasurer as an option or a recommendation, and were there multiple options put up to the Treasurer? Can you take that on notice, please.

Susan Bultitude: We'll take that on notice.

**Answer:**

Treasury updated its internal policy positions over the course of March and April 2023 in response to feedback from a range of stakeholders. This included development of the recommendation for a 90 per cent cap on deductions, as reflected in the final report published online. Consistent with Treasury's usual procedures, the decision to adopt this recommendation was formally made by Treasury's senior executives.