

## **Show us the MRRT numbers: Forrest**

November 3, 2011 - 2:44PM

Mining magnate Andrew "Twiggy" Forrest has challenged the government to reveal the "enormous" mining tax deductions it is giving some of the world's biggest resources companies.

Parliament has begun debating legislation for the 30 per cent minerals resource rent tax (MRRT) which the government wants to operate from July 1, 2012.

A group of small and medium-sized miners met with independent MPs in Canberra on Thursday to explain their opposition to the tax.

Mr Forrest said the government had not thought through the tax.

If it had, it would not be asking Australia's smallest mining companies to pay a "much, much higher rate" of tax than the world's biggest mining companies.

"It discriminates against the small miners," Mr Forrest told reporters, adding it was designed to protect the biggest companies only.

Prime Minister Julia Gillard struck a deal with BHP Billiton, Rio Tinto and Xstrata to develop the MRRT, replacing the even more contentious 40 per cent resource super profits tax last year.

But Mr Forrest said the biggest mining companies would not pay any tax for "the foreseeable future".

"It will instead crush the developing sector," he said.

BC Iron managing director Mike Young said his company would make history next year when it became the highest effective taxpayer of the MRRT.

"BHP and Rio Tinto will be paying a lower effective tax rate than us," he told reporters, adding all his company was asking for was fairness.

"We want to pay the same effective tax rate as everyone else."

Atlas Iron managing director David Flanagan said the issue was not about smaller miners objecting to paying more tax when they were profitable.

It was that they were being subjected to a taxation regime that was highly complicated.

The big miners, who were part of the negotiations with Ms Gillard, had a massive advantage over smaller miners.

"That makes it much harder for companies like us to start, survive and grow," Mr Flanagan said.

Mr Forrest said "hundreds of billions of dollars" in deductions would be available to the large mining companies but not the junior mining sector.

He dismissed as "absolute fiction" reports that 90 per cent of the MRRT would be paid by BHP, Rio and Xstrata.

Mr Forrest said a High Court challenge to the tax was still an option.

"If it becomes unconstitutional, it should be challenged," he said.

Mr Young said the \$50 million tax threshold was equivalent to the profit on current prices of about 800,000 tonnes of ore.

"When the negotiations were being done, there was no thought put into that number," he said.

"It was plucked out of mid-air, and it was just a bone thrown to the juniors to keep us quiet."

Later in parliament, Mr Swan lampooned Mr Forrest, who was in the public gallery, for claiming his company was a small miner.

"He's got a \$20 billion company," he said of Fortescue Metals.

The treasurer said a number of miners associations were running a "completely unjustified" campaign against the tax.

"This tax does not discriminate against small miners," Mr Swan said.

*This story was found at: <http://news.smh.com.au/breaking-news-national/show-us-the-mrrt-numbers-forrest-20111103-1mx3j.html>*