

SUBMISSION TO THE SENATE SELECT COMMITTEE ON THE SCRUTINY OF  
NEW TAXES.

By Tony Hassell

The proposed Mineral Resource Rent Tax would be harmful for two reasons.

One – because it would go a long way to destroying the Australian Federation without reference to the people and –

Two – because it would single out the miners of coal and iron ore for taxes which are not applicable to other industries.

Firstly, the proposed MRRT would permanently fix the rate of State based mineral royalties to the level already operating or proposed at the time of enactment of the tax and would be a dollar amount and not a percentage of the gross price. While this may seem reasonable at this moment, it would become totally absurd when the price of these minerals goes up tenfold which it inevitably will do at some time in the future. Inflation is new phenomenon – it has existed ever since money was invented and has rarely paused.

This would have the effect of further enhancing the Commonwealth's ability to dictate – either through blackmail or bribery to dictate to the States how they would carry out their functions.

The original framers of the Australian Constitution which was enacted by the British Parliament and supported at a referenda by majorities in all the Colonies sought very strongly to prevent any one tier of government from becoming overly powerful.

It is absolutely clear that the proposed tax is intended to replace State mineral royalties. This is clearly demonstrated by the very name of the tax the Mineral Resources RENT Tax. The Commonwealth is already dangerously powerful and this should not be allowed to happen.

Secondly – the proposed tax would apply to only one industry – the coal and iron ore miners. Not only would this be grossly unjust to share holders in these mining companies, but it would cause capital to be diverted away from mining companies which are acknowledged not only as the most efficient companies in Australia, but also as the most efficient in the world.

**THIS TAX SHOULD NOT BE ALLOWED.**