

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 114

Topic: Revenue from Mining Companies

Hansard Page: Wednesday 30 May 2012, page 105-106

Senator WATERS asked:

Senator WATERS: That would be helpful. This is a broader question. What are Treasury's projections for federal revenue from mining in all of its revenue raising capacities over the forward estimates? That is both from the MRRT and company tax and from any other revenue measures that the industry contributes.

Mr Clark: We cannot really split it into industries. In terms of what any particular industry contributes, you would have to consider the company tax component, the component of taxes on wages from that sector, the component of excise paid by that sector and the GST paid by that sector. As I said earlier, doing an industry breakdown on the sectors, the nature of the tax data is not such that we can do an industry split with all of those taxes.

Senator WATERS: So we actually do not know how much the mining industry is contributing to revenue yet we make claims about it quite regularly?

Mr Clark: We know how much company tax the mining sector pays. That is published in taxation statistics. But as far as how much tax is paid by people who work in the mining sector—for example, the wages—understanding that many people who work in the mining sector also work in the construction sector and various other sectors—

Senator WATERS: If you left out the income tax component, would you be able to proffer some figure?

Mr Clark: The personal income tax component?

Senator WATERS: Is that what you were referring to just now?

Mr Clark: Yes.

Senator WATERS: If you left that out, could you get to a figure?

Mr Clark: The company tax component is published in taxation statistics. We can get that information to you.

Senator WATERS: Great. And likewise the excise contributions and the GST contributions?

Mr Clark: I do not know if we can do those components. We can take that on notice.

Senator WATERS: If you can make your best endeavours, that would be great. I am interested in how that revenue compares with other sectors. If you are able to do some sort of extrapolation from the figures to serve as a comparison there, would be great.

Mr Clark: Again, that would be published in the taxation statistics.

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Answer:

The Australian Taxation Office publication Taxation statistics 2009-10 provides some data on the tax paid by the mining industry for the 2009-10 and 2010-11 financial years. Given that net company tax paid by mining companies is not yet available for 2010-11 the most complete year for all data is 2009-10.

Net company tax paid by miners was \$6,780 million in 2009-10 (13.5 per cent of total net company tax paid), with fringe benefits tax (FBT) payable of \$217 million (6.4 per cent of total FBT payable) and total petroleum resource rent tax (PRRT) paid on taxable profit of \$1,260 million (PRRT is normally assumed to be paid by mining companies).

Pay as you go withholding taxes are levied on individuals and are not a factor in determining total tax paid by miners. Excise is levied on fuel used by the mining industry; however miners are eligible for fuel tax credits partly offsetting any liability incurred. The mining industry is also eligible for input tax credits to offset goods and services tax liabilities.