

Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Industry Portfolio
Supplementary Budget Estimates 2014-15
23 OCTOBER 2014

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY

TOPIC: Australian shareholders – exploration companies

REFERENCE: Question on Notice (Hansard, 23 October 2014, page 118)

QUESTION No.: SI-58

Senator CONROY: How will the requirements around Australian resident shareholders be implemented, given foreign shareholdings of exploration companies?

Mr Hoffman: Again, I would make a general comment up-front that this is primarily the responsibility of—and those sorts of questions go primarily to—Treasury rather than this department. I have been attempting in this session to be helpful in responding to the questions. That is probably getting to one to which more properly does rest with the Treasury department.

Senator CONROY: Please take it on notice and give us any information, and we can try and pursue that through other committees.

Senator Ronaldson: We will take on notice anything that might be relevant to this department, but not for Treasury, obviously.

ANSWER

The *Income Tax Assessment Act 1997* will be amended to introduce a tax offset available to Australian resident taxpayers that receive exploration credits under the Exploration Development Incentive (EDI), provided that the taxpayers are not corporate tax entities.

Consistent with the rules for the tax offset for franking credits, the EDI tax offset is only available to taxpayers that are resident in Australia for the whole of the relevant income year. This addresses integrity concerns around providing offsets to non-residents who may have no other association with the Australian tax system.