

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

1 June – 3 June 2010

**Question: BET 16**

**Topic: Resource Rental Tax - Minerals**

**Hansard Page: E100-101 (02/06/2010)**

**Senator EGGLESTON asked:**

**SENATOR EGGLESTON**—I would like to ask some questions about minerals. The Henry review recommended against applying the resource rental tax to lower value minerals, for which it can be expected to generate no net benefits. The government is recommending extending the application of the tax to all non-renewable minerals. I wonder what the rationale for that is. Can you enlighten us?

**Mr Parker**—I have already traversed that territory. Very quickly, some of those mineral pay royalties. We would not expect low-value—

**Senator EGGLESTON**—Some of those minerals are?

**Mr Parker**—Brown coal pays a royalty. We can take that question on notice. A number of them do. Putting aside the compliance cost issue, you would expect them to be better off in than out. But it is one of the issues which the government has out for consultation whether or not those who are in that business would prefer to be in or out. Let me put it this way: the government has not expressed a determined view on the matter.

**Answer:** Of the list of minerals identified in Table C1-1 of the *Australia's Future Tax System: Report to the Treasurer*, the following are subject to royalties in at least one Australian State or Territory:

- barite, borate, calcite, chert, chlorite, clay, dimension stone (granite, marble, sandstone, slate), diatomite, dolomite, feldspar, fluorite, gypsum, halite, lime, limestone, magnesite, magnesium, mica, olivine, peat, perlite, phosphates, potassium, pyrophyllite, quartzite, salt, sand, gravel, serpentine, silica, sillimanite, talc, vermiculite, wollastonite and zeolites.