

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June – 3 June 2010

Question: BET 205

Topic: Resource Super Profits Tax #2

Hansard Page: Written

Senator MACDONALD asked:

1. Have you undertaken any modelling to provide information about the effect of the RSPT on the mining industries in North Queensland and Northern Australia – or, alternatively, in Remote Australia??
2. What did that modelling show?
3. Did any modelling take into account the flow-on effects of loss of mining and jobs on local communities – including effects on:
 - a) mining service industries (eg mining equipment maintenance and repair, accommodation, workforce relocation);
 - b) viability of regional centres (closure of shops, restaurants, social amenities, population relocation)
4. What else was taken into account in the modelling?

Answer:

1. No
2. Refer to question 1
3. Modelling showed that the introduction of the RSPT would increase employment in the resource sector by 7%. Modelling was not done down to the detail requested. The RSPT is no longer Government policy.
4. For information about the full scope of modelling undertaken by KPMG Econtech please go to:
http://www.taxreview.treasury.gov.au/content/html/commissioned_work/downloads/KPMG_Econtech_Efficiency%20of%20Taxes_Final_Report.pdf