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## **The Changing ‘Genie’ of Australian Taxation**

**By Gary Morgan**

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<http://www.haoma.com.au>)

**When Governments nationalise an industry they take the risk, the Gillard ALP Government wants to take 30% of the Mining Industry Profits with NO risk!**

In 1950 the Roy Morgan Gallup Poll showed Australians found 75% of Australians agreed “**a special referendum was necessary before any industry could be nationalised**”, only 17 % disagreed while a low 8% were undecided – nothing has changed!

If today, any Government wants to nationalise the Mining Industry or any other industry they would need a referendum. And if the Mining Industry or another industry were nationalised the Government would then take the risk and the reward.

The proposed 30% Mining Rent Tax means the Federal Government takes 30 % of the reward with NO risk – an outrageous proposition!

Today's new 30% Mining Rent Tax represents the ‘thin edge of the wedge’. The Government has created the platform for a ‘Rent Tax’ on a broad scale. If the Gillard ALP Government is re-elected they, with the Greens, can:

- Expand the Rent Tax coverage to include gold mining, banks, retail, media etc, and
- Increase the tax to 35%, 40%, 45%; indeed if the ALP gets returned what is to stop them putting the Rent Tax to 50% in the first Budget?

If the Australian electorate were asked to vote on a referendum for nationalising the Australian Mining Industry there would be full and open debate on such issues as to:

- Whether the Federal Government should do deals with unions and BIG majority overseas owned mining companies – and if so, exactly what those deals involve.
- The impact on ‘Greenfield’ exploration in Australia and new mining operations in Australia. Over the last 5 years BHP Billiton, Rio Tinto and Xstrata have spent little, if anything, on ‘Greenfields’ exploration in Australia. BHP Billiton have only opened one new Australian mine in last 10 years - Ravensthorpe - it went broke! The proposed 30% Mining Rent Tax will result in no new iron ore or coal mines in Australia. There will be no money spent on exploration.
- The allocation of revenue and control between Canberra and the States - the States own the minerals NOT Canberra.
- Other options for revenue generation would be considered including if BHP Billiton and Rio Tinto were forced to open all their Pilbara railways - the net return from normal company tax from companies operating new Pilbara iron ore mines would be more than what is now proposed, too simple!

**The new 30% Mining Rent Tax on all new iron ore and coal mines must be ‘thrown out’ unless a referendum is held.**

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