TAX RETURNS TO BITE
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The announcement by the Commonwealth that it will backflip on its unpopular Resource Super Profits Tax is welcomed by the Country Liberals.

“The super tax has a new name, it has a new set of operating parameters, and it now only applies to coal, iron ore, oil and gas” said Willem Westra van Holthe, Shadow Minister for Resources.

“The political assassination of Kevin Rudd followed by a triple somersault backflip on the super tax uplift rate to about 12%, a reduction in the headline tax rate to 30% and allowing the recognition of the value in long term investment going forward means we can close the door on this sorry saga.

“It appears that some common sense has now prevailed compared to the initial plans of the Commonwealth, supported wholeheartedly by the Henderson Labor Government, to hamstring the continuing development of the mining industry in the Territory.

“How a doubling of taxation could ever have been considered a good thing for an industry shows how out of touch Labour is with the business community but considering that the backflip is all about winning the next election, not about public policy, I worry about how sincere the Commonwealth is about seeing through their end of the bargain.

“The Country Liberals led the way with a profits based resource tax, which at the initial 18% rate is surprisingly close to the final outcome of the Minerals Resource Rent Tax.

“That doesn’t mean the current round of proposals is a good long term result. An extra impost by the Commonwealth will weigh upon investment and development decisions in the Territory in the long term, particularly on the fledgling Iron Ore industry with one current operating mine, and several advanced prospects in the Roper region.

“Territory Labors’ attempt to double the taxation on all mines in the Territory, and then have that $160million (on 2009/10 figures) sent to Canberra demonstrates the poor bargaining position the Northern Territory Government always puts us in.

“Chief Minister Paul Henderson crowed that we would get a $70million infrastructure spend as a result of new taxes, not mentioning that to do so would be in return for paying $160million extra.

“Well, given that the Commonwealth’s super tax has collapsed and only a handful of activities will now be covered in the NT, can we be assured that he will get back 100% of the extra take?

“I know that a Country Liberals government would be fighting tooth and nail to make it so, as well as concreting in the $70million a year commitment for extra infrastructure for the bush.

“The Tax is gone, but the Labour promises could now be just as much hot air.

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