



INNISFAIL ADVOCATE COLUMN JULY 2010

Date: Monday 12th July 2010

For immediate release

GILLARD'S NEW MINING TAX IS NO SOLUTION

It concerns me greatly that many Australians appear to have been convinced the new un-elected Labor Prime Minister, Julia Gillard, has magically solved the problem of the great big new tax on the mining industry, by negotiating a compromise with Australia's three biggest mining companies. That is a dangerous view for the Australian people to have, because it is not true. The problem has not been solved and the new tax will have a serious impact on the states, especially Queensland.

The problem that this great big new tax creates can not be solved by simply fiddling with the numbers and changing its name from the Resource Super Profits Tax (RSPT) to the Mining Resource Rent Tax (MRRT). It is still a great big new tax. While the three biggest mining companies with well established operations have cut a deal, smaller mining interests were locked out of negotiations and consequently, the changes will penalise new opportunities for exploration.

A major issue not being widely discussed is how the Federal Labor Government's proposal impinges on the rights of State Governments. Labor's MRRT will mean tax revenue derived from Queensland's mineral resources will go to Canberra. Under the Australian Constitution, mineral resources are the sovereign property of individual states. Queensland mineral deposits belong to Queenslanders. Any tax or royalty revenues ought to flow directly to the Queensland Government.

Any taxes or royalty revenues raised from Queensland's mineral resources should not be funnelled off to Canberra for the Federal Government to spend or divide up between the states and territories. The Federal Government has made no contribution to the provision of infrastructure that supported the development of the mining sector, such as our railways and ports. The Federal Government has no right to claim any taxes or royalties derived from Queensland's mineral resources.

During WWII, the power to collect income taxes was taken away from State Governments and given to the Federal Government as part of the war effort. That power was never returned to the states after the war. Ever since then, political power has been centralised in Canberra because most of the money is collected by the Federal Government. However, State Government's have continued to be responsible for delivering costly community services, such as health and education.

So, what are State Labor Premier Anna Bligh and State Labor Treasurer Andrew Fraser doing about this obvious problem? Absolutely nothing of course! The Bligh Labor Government has sold Queensland out and signed up to hand over more state revenues to Canberra. The State Labor Government sees Julia Gillard's MRRT as a great opportunity to rely on the Federal Government for more funding and pass the buck of responsibility to cover up for its own incompetence and failure.

Don't be fooled by Labor's political spin. We need a new Liberal/National Government in Canberra.

Contact:	Andrew Cripps MP Member for Hinchinbrook	Address:	PO Box 1515 Ingham Qld 4850	Ph:	07 4776 1428
		E-mail:	Hinchinbrook@parliament.qld.gov.au	Fax:	07 4776 3503
