

Media release

Mining pays the way for Australia

Statement from Tania Constable, Chief Executive Officer

The mining industry is helping to build a stronger Australia by paying its fair share of tax.

The latest minerals industry tax survey, conducted by KPMG on behalf of the MCA, reveals the Australian mining industry has a tax take ratio of about 44 per cent, well above the average for all other industries.

Through the substantial tax and royalties the industry pays, mining is building stronger communities and funding the teachers, nurses, police and infrastructure projects on which we all rely.

The survey results, released today, are reconciled to the tax payment data released annually by the ATO. The most recent ATO release in December showed that the minerals industry had 14 entities in the top 30 taxpayers and those 14 entities paid more than \$11.33 billion of company tax, representing almost 22 per cent of the total tax paid by the 2200 large entities on the ATO report.

In addition to the large amounts of company income tax paid, the minerals industry pay significant amounts of royalties to State and Territory governments. In 2017-18 this was estimated to be \$12billion.

The industry also pays large amounts of payroll tax, fringe benefits tax, land tax, licence fees and local government rates that support local communities and pay for the provision of essential services that benefit all Australians.

The survey demonstrates that notwithstanding volatile commodity prices over the last 7 years, the industry tax take has remained constantly around 44 per cent. This is due, in part, to the fact that even in times of lower profitability, the mining industry contributes to public finances through payment of royalties levied on sales revenue rather than profit.

It is evident from this survey that the mining industry not only pays significant amounts of income tax and royalties, but that we pay our fair share.

The mining sector is also the global leader in tax reporting and transparency and Australian mining companies are at the forefront of producing voluntary tax transparency reports. In addition, the industry has actively contributed to the Extractive Industries Transparency Initiative (EITI) and the Australian Voluntary Tax Transparency code.

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