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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

THE SENATE

**MINERALS RESOURCE RENT TAX AMENDMENT  
(PROTECTING REVENUE) BILL 2012**

EXPLANATORY MEMORANDUM

(Circulated by the authority of Senator Christine Milne)

## **MINERALS RESOURCE RENT TAX AMENDMENT (PROTECTING REVENUE) BILL 2012**

### **Outline**

The purpose of the Minerals Resource Rent Tax Amendment (Protecting Revenue) Bill 2012 is to protect the revenue generated from the Minerals Resource Rent Tax from being eroded by state governments increasing royalties.

### **NOTES ON CLAUSES**

#### **Clause 1 – Short title**

This clause provides for the bill, when enacted, to be cited as the *Minerals Resource Rent Tax Amendment (Protecting Revenue) Act 2012*.

#### **Clause 2 – Commencement**

This clause provides for the Act to commence on the day it receives Royal Assent.

#### **Clause 3 – Schedule(s)**

This clause provides that an Act that is specified in a Schedule is amended or repealed as set out in that Schedule, and any other item in a Schedule operates according to its terms.

#### **Schedule 1 – Amendments**

Item 1 is consequential amendment to item 2 and amends section 2-1 of the Act to clarify that the intention of the Act is that mining profits may be reduced by a miner's Commonwealth, State and Territory mining royalty amounts in force on 1 July 2011.

Item 2 amends section 60-25 to provide that any increases in royalties after 1 July 2011 should be disregarded when calculating royalty credits for the Minerals Resource Rent Tax.

Item 3 provides that the bill will apply to MRRT assessments from its first year of operation, namely 2012-13.

## **Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

### **Minerals Resource Rent Tax Amendment (Protecting Revenue) Bill 2012**

This bill is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

#### **Overview of the Bill**

The bill protects the revenue generated from the Minerals Resource Rent Tax from being eroded by state governments increasing royalties.

#### **Human rights implications**

This bill does not engage any of the applicable rights or freedoms as it concerned only with the tax arrangements of mining companies.

#### **Conclusion**

This bill is compatible with human rights as it does not raise any human rights issues.