



MEDIA RELEASE

MINERALS COUNCIL OF AUSTRALIA

Modern, responsive tax system needed to support world-class Australian minerals industry

Statement from Tania Constable, Chief Executive Officer

Australia's world-class minerals sector supports the Productivity Commission's review of remote area taxation treatment announced by the government this week.

While tax is not the driving force in influencing decisions by our member companies to employ workers on fly in fly out (FIFO) arrangements versus taking up residential remote area housing, it is a factor in such decisions along with proximity to infrastructure, access to education, hospitals, family, work opportunities and lifestyle.

FBT exemptions for remote housing were first introduced in 1986 via the *Fringe Benefits Tax Act* for primary producers and were widened to all employers in 1999.

It is clear that the tax system needs review to reflect changes since that time. A modern, responsive tax system is essential for an internationally-competitive minerals sector and the regional communities in which we operate.

MCA will be making the case strongly to the Commission that the many mining workers and their families who choose the flexibility and choice offered by FIFO and their families should not be disadvantaged by any changes proposed.

We will also be advocating that FBT arrangements should not discriminate between different types of accommodation in remote locations.

For example, the current design of the FBT residential housing concessions discriminate against employee-sourced rental accommodation where the rent is reimbursed by the employer in favour of employer-leased accommodation.

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