

# Getting a fair share of our resource riches for all Australians...

...and delivering especially to our mining families...

Anyone who works in mining knows about the huge riches being made by the resource sector over the last decade – and profits are predicted to increase by tens of billion of dollars in the next year alone.

Our union believes it's time we all got a fair share of the wealth – after all our natural resources were not created by the mining companies. They dig it up from our soil – and once it's dug up and shipped out it can never be replaced.

For more than 30 years The Australian Workers' Union has argued with governments of all political colours that these resources belong to the nation and the nation is not getting a fair return, a fair share for all our people.

Mining companies have grown richer, but they chose a long time ago to stop putting back some of their wealth into the infrastructure of our mining communities. While they have grown wealthier our communities have deteriorated.

The rich pickings of the next decade should be more fairly shared with all Australians, but mining families and our communities in the mining regions should get a special benefit from the resources boom.

That benefit should secure our jobs, make our communities better – and provide better schools, hospitals, sporting facilities and living standards for mining families across regional and remote Australia.



**STRONGER  
TOGETHER**

[www.awu.net.au](http://www.awu.net.au)

# Paul Howes answers your Super-profit Tax questions

## What if the miners take their business overseas?

It is just not going to happen. You can't go to China and dig a big hole through the earth to take out our iron ore, coal, bauxite or uranium.

Australia offers huge advantages to the mining companies. There is an abundance of resources which are relatively easy to dig up. We've got great freight links and an educated, skilled workforce. We've got a stable economy, stable government and good climate, advantages that other countries just can't match.

## Why would you support a tax on mines when they employ your members?

It is exactly because I support mining and our hard-rock mining membership that I support this tax. It is a carefully designed tax reform which allows all Australians to share in the super profits mining companies are reaping in at the moment, because of the extraordinary strong demand for our resources.

The way the tax is designed it will have a lot of benefits for my members employed at the smaller, less profitable mines – compensation for royalty payments and the cut in the company tax rate will be particularly good for the smaller players. They will be big winners – and so deliver more job security for AWU members.

## What do the mining companies think of the RSPT?

Actually, despite all the hot air, the mining companies accept the idea of a profits based tax. The Minerals Council has argued for a profits tax. Andrew 'Twiggy' Forrest has told me directly, sitting in my office, that he accepts the need for such a tax. What they are arguing about in reality is the design of this tax.

I have said to the Government and the Mining companies, the AWU wants to negotiate a position where all parties are comfortable with how we implement this tax. It is not going to be resolved by hysteria, temper tantrums or threats.

## What are the advantages of this tax for the mining communities?

Mining communities in regional and remote Australia have rarely seen profits re-invested in their regions and their communities.

We've sat down with the Government and said we want a large part of the rewards reaped from this tax put back into regional infrastructure – ports, rail and roads, as well as affordable housing, hospitals, schools and community facilities. With this infrastructure we can re-build regional communities and end the family destroying fly-in fly-out culture which now dominates the resource sector.

That will not only create new jobs in regional Australia but will help improve productivity and promote opportunities for new profitable export-focused industries to establish roots in the region.

## How does this tax affect my superannuation savings?

The big super funds you're a member of all say this tax is a big plus for our members.

A big part of the resource tax will be used to improve the retirement packages available for all Australians. By funding cuts in company tax and increased assistance to small business it supports an increase in the super guarantee from 9 per cent to 12 per cent.

As well it will finance the much-needed tax refund for super contributions for low-income earners – and most importantly it will allow our over-50s to make catch-up super contributions.

Together these changes will add tens of thousands of dollars to your retirement savings – a 30 year old today stands to win about \$100,000 extra in retirement savings. That's a big boost.

Don't just take it from us, listen to the experts...

### David Buckingham

Former Executive Director of the Minerals Council of Australia (the mining companies national peak body)

"The balance over time is likely to see an escalation in investment, a growth in jobs, a growth in exploration activity, not as a number of the more hysterical commentators are suggesting, withdrawal."



### Alan Mitchell

Economic Commentator, Australia Financial Review

"The resource rent charge, which the government and economists insist on calling a tax, is the only reliable means of the public getting its share of the profits in the most valuable resource projects without adversely affecting investment and production, especially in the less profitable projects." (The Australian Financial Review 2 June 2010)



### Dr. Ken Henry

Head of Treasury

"Australia has an abundance of natural resources and should not 'undercharge' for them. The tax was a 'tax reform' rather than a tax increase and would represent world's best practice in charging for the exploitation of non-renewable natural resources." (Sydney Morning Herald 19 May 2010)



### Professor Ross Garnaut

Economist  
Chairman of Lihir Gold

"Kevin Rudd's new super-profits tax on mining has won the endorsement of respected economist and mining company chairman Ross Garnaut, who has described its design as 'elegant'. Professor Garnaut remains concerned the nation needs to better manage the effects of mining booms on other areas of the economy." (The Australian 17 May 2010)



### Bernie Fraser

Former head of the Reserve Bank of Australia

"I am amazed that there has been such vocal opposition... it is very much in the national interest for a greater share. Even under the present arrangement the Government is talking about leaving 60% of the super profits with the mining companies."



### David Whitely

CEO Industry Super Network

"The mining sector has claimed the changes will hurt workers' super, but taken together with the other reforms the government has announced, in fact the opposite is true. Since the government's announcement, it is true that mining stocks have fallen by about 9 per cent. But this compares to a sell-off of stocks across the board of more than 10 per cent, including a decline of 13 per cent in bank shares."