



22nd June 2012

Rob Heferen
Manager
Resource Tax Unit
Indirect Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email resourcetax@treasury.gov.au

Dear Rob

Deductibility of Geothermal Exploration Expenditure

Thank you for the opportunity to comment on the draft legislation and explanatory memorandum relating to the deductibility of geothermal exploration expenditure.

The Association of Mining and Exploration Companies (AMEC) is the peak national industry representative body for mineral exploration and mining companies within Australia, some of which are small and emerging companies with interests in geothermal projects.

AMEC's strategic objective is to secure an environment that fosters mineral exploration and mining in Australia in a commercially, politically, socially and environmentally responsible manner.

AMEC notes and fully supports the Government's announced changes to the income tax law to extend the immediate deductibility of exploration expenditure currently provided to mining and petroleum explorers to geothermal energy explorers.

In fact the proposed change is in line with recommendation 30 – page 7 of the AMEC submission on the Minerals Resource Rent Tax Policy Transition Group dated 28 October 2010, which aimed to align the income taxation treatment of geothermal energy with other natural earth resources.

Thank you for the opportunity of commenting. If you have any queries please do not hesitate to contact Graham Short or myself.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Simon Bennison". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Simon Bennison
Chief Executive Officer

Association of Mining and Exploration Companies (Inc)

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