

6 November 2013

Manager  
Resource Tax Unit  
Indirect, Philanthropy and Resource Tax Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Email: [MRRTRepeal@treasury.gov.au](mailto:MRRTRepeal@treasury.gov.au)

Dear Sir / Madam

Please find attached BHP Billiton's response to the Draft Legislation released on 24 October to repeal the Minerals Resource Rent Tax ('MRRT').

Yours sincerely,



**Christian Bennett**  
Vice President Government Relations

## **Draft Legislation – MRRT**

BHP Billiton welcomes the opportunity to respond to the Draft Legislation released on 24 October to repeal the Minerals Resource Rent Tax ('MRRT').

By way of preface, BHP Billiton, a company firmly rooted in Australia and headquartered in Melbourne since 1885, is proud of the significant contribution it makes to the Australian economy. Annually, we spend over US\$15 billion on day-to-day operations in Australia and in so doing support thousands of local businesses. Close to half our workforce, which includes more than 1,000 indigenous Australians, is here in Australia and we pay approximately US\$4 billion annually in Australian wages. Our tax contribution is also substantial, at some US\$9 billion in tax and royalty payments in the last financial year (FY13), and a tax rate over 45%. Over the last decade, we have also contributed US\$1.5 billion globally to environmental and community initiatives, many of them here in Australia.

It is against this backdrop that BHP Billiton believes it makes a substantial contribution to the broader and significant benefits that the Australian resources economy delivers to Australia's prosperity and to all corners of the country. Benefits that have been estimated recently by the Reserve Bank of Australia to add up to as much as 18% of gross value add, or A\$250 billion of the nation's output, as well as 1.1 million jobs, or close to 10% of total employment, in a diverse range of occupations.

BHP Billiton believes that global demand for specific commodities, driven largely by China and other emerging economies, could grow by up to 75% over the next 15 years. Only a handful of countries, of which Australia is one, can currently deliver the volume of resources required for Asia's continued economic growth. But Australia must compete hard against both existing and emerging suppliers to ensure it captures its fair share of this significant economic prize. The question is not whether Asia's demand for commodities will be met, but rather which countries will deliver the supply.

Industry and policy makers must now re-commit to Australia's future competitiveness to ensure Australia remains a supplier of choice. The bulk of the required productivity challenge rests at the feet of industry. And Government also has an important role to play in providing a supportive policy environment that underpins our competitiveness drive and long-term business confidence.

Repeal of the MRRT is therefore a significant contribution to the shared competitiveness challenge. It is a positive signal of support for an industry that, through its day-to-day activity, makes a substantial contribution to Australia's prosperity, Australia's relationship with Asia and is one of Australia's true comparative advantages.