

24 June 2015

Tax White Paper Task Force  
The Treasury  
Langton Crescent  
PARKES ACT 2600  
Email: [bettertax@treasury.gov.au](mailto:bettertax@treasury.gov.au)

Dear Tax Task Force

Thank you for the opportunity to make a brief submission to the Tax White Paper process. QRC also appreciated the opportunity to participate in a roundtable discussion of tax reform priorities with the Task Force and other Queensland peak bodies in Brisbane earlier this month.

The Queensland Resources Council (QRC) is the peak representative organisation of the Queensland minerals and energy sector. QRC's membership encompasses exploration, production, and processing companies, energy production and associated service companies. QRC does not represent the small mining or gemstone sectors. The QRC works on behalf of members to ensure Queensland's resources are developed profitably and competitively, in a socially and environmentally sustainable way.

While the date for formal submissions closed on 1 June 2015, QRC members have reviewed the submissions that have been published by The Treasury and wanted to provide specific comments in support of three submissions.

QRC supports the submission from Aurizon Holdings Limited, which suggests that the Task Force review the tax treatment of third party funded infrastructure assets. Aurizon's submission correctly make the point that it is becoming increasingly common for users of common infrastructure assets to directly fund the development of this (often linear) infrastructure. When infrastructure is funded in this way, it can generate tax outcomes which differ significantly from the incidence of tax if a single proponent had funded the infrastructure. The Aurizon submission does a good job of describing the complexity and deadweight costs associated with this differential tax treatment.

QRC recommends that the Task Force considers how the tax system can best be updated to provide a consistent tax treatment of infrastructure projects regardless of the funding source(s).

Many QRC members are also members of the national peak bodies for mining - the Minerals Council of Australia (MCA) and for coal seam gas - the Australian Petroleum Production and Exploration Association (APPEA). QRC is an affiliate member of the Minerals Council of Australia and so participated in the development of the MCA's submission. As such, QRC lends its full support to the recommendations and analysis presented in the MCA's submission.

QRC recommends that the Task Force carefully consider the central message of the MCA's submission that the goal of tax reform should be to increase Australia's growth potential through a more competitive tax system. This objective should be achieved in a way that supports fiscal repair over time and that maintains a high level of equity in the tax system.

In addition, QRC wanted to specifically support recommendations 1 and 7 in the Australian Petroleum Production and Exploration Association (APPEA) submission (page 7) which calls for:

- **Recommendation 1:** The immediate deductibility of exploration related costs; and
- **Recommendation 7:** All governments to move to abolish transfer fees and duties on farm-in transactions or commercial realignments.

Thank you for the chance to provide supporting comments for formal submissions. QRC would welcome the opportunity to discuss any of the issues raised in this submission. The contact at QRC is Andrew Barger on (07) 3316 2502 or [andrewb@qrc.org.au](mailto:andrewb@qrc.org.au)

Yours sincerely



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