



Tuesday 8 November 2011

INDEPENDENT MEMBERS URGED TO SUPPORT MAGNETITE MRRT EXCLUSION

Magnetite miners are urging Independent Members of Federal Parliament to support an amendment to the Mineral Resources Rent Tax (MRRT) to boost jobs growth in regional Australia.

Bill Mackenzie, Chair of the Magnetite Network which represents Australian magnetite miners urged Independents to support the proposed amendment to the MRRT, which would encourage more investors in to the sector and remove an unnecessary compliance cost for magnetite miners.

“Our draft amendment is simple and effective and would remove an obligation for magnetite concentrate producers to pay millions of dollars in compliance costs for a tax that delivers no economic benefit to Federal Treasury,” he said.

Mr Mackenzie said the Federal Government had clearly stated that taxing magnetite would deliver little or no tax benefit due to magnetite being virtually worthless when dug out of the ground.

“Magnetite’s value is derived from the jobs-intensive processing required to produce a saleable concentrate product, which all happens downstream of the taxing point,” he said.

“Despite delivering little or no tax to the Federal Government, the enormous compliance burden that accompanies the MRRT will cost the fledgling magnetite industry millions of dollars and create unnecessary uncertainty for potential investors, which could stall projects.”

Mr Mackenzie said that MagNet is having productive conversations with Independent Members of Federal Parliament and the Nationals WA Member for O’Connor, whose electorates stood to benefit from the exclusion of magnetite from the MRRT.

“The ever declining grade of Australia’s hematite is driving a new interest in large scale magnetite production and there are now a number of magnetite projects under construction and planning in Australia which will have already created thousands of jobs,” he said.

“There are also significant magnetite iron ore deposits in many parts of New South Wales, Tasmania, Queensland and WA, so local economies could benefit from this next wave of iron ore production and the long term regional jobs it could create if investment is secured.”

“But if small miners are to get these projects off the ground and help generate more jobs in regional Australia they need support through the exclusion of magnetite from the MRRT.

“This exclusion will save millions of dollars in an unnecessary compliance burden for smaller miners, provide investment certainty and deliver jobs growth in regional areas where they are sorely needed.”

Contact Bill Mackenzie – Chairman MagNet on 08 9216 2600

More information at www.magnetitenetwork.com.au