

MEDIA RELEASE

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PPL levy scrapping welcomed, but wider tax issues must be addressed

The resource industry employer group - AMMA (Australian Mines and Metals Association)

Statement by Chief Executive, Steve Knott

THE Prime Minister's announcement that he will not proceed with the 1.5% business levy to fund the government's former paid parental leave (PPL) scheme comes as welcome news to the Australian resource industry.

Our industry strongly backs government and private sector initiatives to improve support for working parents, but has long argued that those larger businesses who already innovate and lead the way should not be penalised, nor asked to subsidise social policies that should be paid for from general revenues.

AMMA has been on the record as early as 2010 highlighting the significant investments individual resource employers put into their own PPL and other parental support packages. It is not their role to then provide special funding for smaller businesses who don't have internal PPL schemes.

The decision to scrap the promised 1.5% corporate tax cut will therefore be of no practical consequence to those large employers which would have also been required to pay the PPL levy.

The more fundamental consideration must be whether our levels of corporate taxes for all sizes of business are competitive and the extent to which they encourage or discourage investment and job creation in this country.

With all areas of the resource industry under increasing pressure, the cost of operating in Australia needs to reduce if we are to remain globally competitive.

Australia must have a national taxation system that can effectively progress important social and economic policies, without the need for additional levies. This must be balanced with the need for competitive Australian businesses and a competitive tax platform for attracting global investment.

The Treasurer recently called for a national conversation on our taxation system, which business will strongly support if it engages with fundamental questions affecting Australia's competitiveness.

In the lead up to the 2015 Budget, we urge the government to carefully consider the comparative levels of all taxes, including levies and royalties, across our global competitors and start to address incentives and disincentives to investing and doing business in Australia.

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