

**To:** The Editor, "The Australian"

**From:** Peter N. Jamieson  
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Dear Sir,

**Re: Mineral Resources Rent Tax (MRRT)**

I applaud Christopher Pearson's reasoned response in yesterday's "Weekend Australian" to Paul Kelly's somewhat simplistic article on the MRRT published in "The Australian" last Wednesday.

Pearson makes the valid comment that the MRRT is based on the false and deliberately-misleading premise that mining companies don't pay their fair share of tax. However, in addition I strongly suggest to the Government, and more particularly to the Federal Treasurer, Wayne Swan, that when they proclaim that "all the country's mineral resources belong to us" they are overlooking one extremely major factor. That is, if "the country's mineral resources belong to all of us" (and I have no difficulty with accepting that concept in principle), then "all of us" must share in the risks of exploring for and discovering and developing those resources if there is to be any justifiable validity for the MRRT as it now stands. However, this is not the case, and in any event, as Pearson rightly points out, under our Constitution the resources are owned by the respective states to whom the mining companies pay royalties over and above their corporate income taxes.

Any MRRT necessarily must take into account not only the fact that ALL the risks are undertaken by the successful mining companies and their shareholders, but also by those companies and their shareholders whose exploration efforts have been in vain. I'm not sure what the current statistics are but I would venture to suggest that over time, for every one successful mining or petroleum exploration company there will have been 100 or more companies who have failed in finding and developing a viable resource. They, and their shareholders alone will have eventually lost all their risk capital, but not ALL of the country's taxpayers.

Yours faithfully,

Peter Jamieson