

## Document 3

**From:**  
**Sent:** Thursday, 21 February 2013 2:58 PM  
**To:**  
**Subject:** FW: Additional papers for today's meeting with AMEC [SEC=UNCLASSIFIED]  
**Attachments:** image2012-11-10-064948.pdf; Document2.docx

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

AMEC-related e-mail.

---

**From:**  
**Sent:** Tuesday, 27 November 2012 9:27 AM  
**To:**  
**Cc:**  
**Subject:** Additional papers for today's meeting with AMEC [SEC=UNCLASSIFIED]

Colleagues

I attach additional documents for today's meeting with AMEC:

- s22 ; and
- a short summary of the MRRT measures which aim to limit compliance costs for small miners.

Regards

---

**From:**  
**Sent:** Monday, 26 November 2012 7:17 PM  
**To:**  
**Cc:**  
**Subject:** Senate Estimates Committee - Treasury Estimates [SEC=UNCLASSIFIED]

Hey guys,

Have you seen this?

Grateful for any suggestions on response for QT tomorrow.

Thanks,

s22

s22

- Aspects of the MRRT's design aim to reduce the administration and compliance costs for small miners.
- Coal and iron ore miners whose group profits are less than \$75 million for the year may choose to use the **simplified MRRT method** which reduces their obligations, although it also extinguishes some future MRRT allowances.
  - Under this method, an entity is not liable for MRRT and does not have to lodge an MRRT return for that MRRT year, removing it from the administration and compliance requirements of the tax.
- A '**low profit offset**' may fully or partially relieve small miners of their MRRT liability for an MRRT year. For miners with group mining profits (as measured for MRRT purposes) of \$75 million or less, there is nil liability.
- A miner that extracts only small amounts of iron ore or coal, can choose to use the **alternative valuation method**. A taxpayer can choose to use the alternative valuation method if group production is less than 10 million saleable tonnes for the year.
  - The alternative valuation method is designed to reduce compliance costs and increase certainty for miners that may find it difficult to calculate mining revenue.
  - This method is a version of the 'netback' method, where the miner's revenue amounts are reduced by its downstream costs.
- In relation to initial compliance costs, instead of undertaking a market valuation, explorers have the option to work out a starting base by looking at their actual expenditure over ten years prior to 2 May 2010.
- These provisions arose out of consultations by the Policy Transition Group with the mining industry, including smaller miners during the development of the MRRT.